DOCUMENT RESUME

ED 083 353 UD 013 874

TITLE Hearings Before the Select Committee on Nutrition and Human Needs of the United States Senate, Ninety-Third Congress, First Session. Federal Food Programs--1973. Part 2--Hunger in 1973. Hearings Held Washington, D.C., June 4, 1973.

INSTITUTION Congress of the U.S., Washington, D. C. Senate Select Committee on Nutrition and Human Needs.

PUB DATE 4 Jun 73

NOTE 112p.; Committee print, Senate Select Committee on Nutrition and Human Needs

AVAILABLE FROM Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402 (Stock No. 5270-01951, $1.00)

EDRS PRICE MF-$0.65 HC-$6.58

DESCRIPTORS Depressed Areas (Geographic); Economic Disadvantagement; Federal Aid; *Federal Government; Financial Policy; Government Role; Health Needs; *Hunger; Nutrition; Policy Formation; Poverty Programs; *Program Administration; *Public Policy

IDENTIFIERS *Food Stamp Program

ABSTRACT

The "Hunger-1973" committee report, details the continuing hunger problem in the country. The report shows that the administration and participation of the Food Stamp and Surplus Food Program vary widely across the country. It shows that the benefits available under both programs are being severely restricted by the current food cost crisis in the country. The law requires that the Food Stamp Program permit the poor to purchase a nutritionally adequate diet; and, that the Government make every possible effort to insure that the eligible poor receive the benefits of the program. Yet, after four years, the census figures and food program participation figures show that there are still some 263 "hunger" counties in the country in which two-thirds of the poor are receiving no food assistance. Despite a clear picture of continuing need for food assistance across the country, the Agriculture Department returned nearly 400 million dollars in unspent food stamp funds to the Treasury last year, and will apparently return about the same amount this year. As an important sidelight to the hearing, the committee explored the question of world hunger and food needs, particularly how that problem relates to our efforts to feed the hungry poor here at home and provide adequate food at reasonable prices to all our people. [Parts of this document may not be clearly legible on microfiche due to the size of print in the original.] (Author/JM)

FILMED FROM BEST AVAILABLE COPY

ED 083353

FEDERAL FOOD PROGRAMS—1973

HEARINGS

BEFORE THE

SELECT COMMITTEE ON NUTRITION AND HUMAN NEEDS

OF THE

UNITED STATES SENATE

NINETY-THIRD CONGRESS

FIRST SESSION

PART 2—HUNGER IN 1973

WASHINGTON, D.C., JUNE 4, 1973

Series 73/FFP2

U S DEPARTMENT OF HEALTH, EDUCATION & WELFARE
NATIONAL INSTITUTE OF EDUCATION
THIS DOCUMENT HAS BEEN REPRODUCED EXACTLY AS RECEIVED FROM THE PERSON OR ORGANIZATION ORIGINATING IT. POINTS OF VIEW OR OPINIONS STATED DO NOT NECESSARILY REPRESENT OFFICIAL NATIONAL INSTITUTE OF EDUCATION POSITION OR POLICY

Printed for the use of the Select Committee on Nutrition and Human Needs

U.S. GOVERNMENT PRINTING OFFICE

98-287 WASHINGTON : 1973

For sale by the Superintendent of Documents, U.S. Government Printing Office
Washington, D.C. 20402 - Price $1
Stock Number 5270-01951

UD 013874

SELECT COMMITTEE ON NUTRITION AND HUMAN NEEDS

GEORGE McGOVERN, South Dakota, *Chairman*

HERMAN E. TALMADGE, Georgia	CHARLES H. PERCY, Illinois
PHILIP A. HART, Michigan	MARLOW W. COOK, Kentucky
WALTER F. MONDALE, Minnesota	ROBERT DOLE, Kansas
EDWARD M. KENNEDY, Massachusetts	HENRY BELLMON, Oklahoma
GAYLORD NELSON, Wisconsin	RICHARD S. SCHWEIKER, Pennsylvania
ALAN CRANSTON, California	ROBERT TAFT, Jr., Ohio
HUBERT H. HUMPHREY, Minnesota	

KENNETH SCHLOSSBERG, *Staff Director*

FEDERAL FOOD PROGRAMS:

Part 1—Vending Machine Competition With the National School Lunch Program, April 17, 1973.

Part 2—Hunger in 1973, June 4, 1973.

CONTENTS

FEDERAL FOOD PROGRAMS
Hunger in 1973

MONDAY, JUNE 4, 1973

	Page
Announcement of hearing	IV
Opening statement of Senator Kennedy, presiding	185
Statement of Senator Percy	188
Statement of Senator Bellmon	188

WITNESSES IN CHRONOLOGICAL ORDER

Yeutter, Clayton K., Assistant Secretary, U.S. Department of Agriculture; accompanied by	
Hekman, Edward J., administrator, Food and Nutrition Service	
Kocher, James, director, Food Stamp Division	
Meade, Laurel, administrator, Export Marketing Service	190
Continued statement of Mr. Yeutter	191
Chart—Family Food Programs, Funding	193
Chart—Family Food Programs, Participation	194

APPENDIX

Item 1—Submitted by witnesses:	
From the U.S. Department of Agriculture:	
USDA Statistics—Programs Remarkably Free of Fraud	223
Food Assistance Programs—Fiscal Years 1969–1974	224
Food and Nutrition Service Assists in Out-Reach Programs	226
Food Assistance Under Title II Program	226
Item 2—Pertinent to the hearing:	
Submitted by Senator Bellmon:	
Participation in Major USDA Food Assistance Programs	227
Food and Nutrition Service, Funding Levels for Food Assistance Programs—Fiscal Years 1968–1973	227
Letter of May 7, 1973, from Mrs. Saundra Graham, councillor, City Council, City of Cambridge, Mass.	228
References concerning P.L. 480, Titles I and II	231

SELECT COMMITTEE ON
NUTRITION AND HUMAN NEEDS
June 3, 1973.

COMMITTEE TO HOLD HEARINGS ON "HUNGER—1973" REPORT

The Select Committee on Nutrition and Human Needs will hold a public hearing next Monday, June 4, with Agriculture Secretary Earl Butz on the committee's most recent report, "Hunger—1973."

Senator Edward M. Kennedy (D-Mass.) will chair the hearing, which is scheduled to begin at 10 a.m. in Room 1114 of the Dirksen Building.

Secretary Butz will be accompanied by departmental officials responsible for administering the Food Stamp, Surplus Food and Food-for-Peace Programs.

Senator Kennedy said the focus of the hearing is the "Hunger--1973" committee report, which details the continuing hunger problem in the country.

"*First*," Senator Kennedy said, "the report shows that the administration and participation of the Food Stamp and Surplus Food Program vary widely across the country—missing entirely some 12 million Americans who are classified as poverty stricken by the 1970 Census Report.

"*Second*, it shows that the benefits available under both programs are being severely restricted by the current food cost crisis in the country. The basic food stamp allotment, a minimum diet at best, is becoming a hunger diet because of inflation. The Surplus Food Program no longer contains the most nutritious foods such as dried milk and fruits, cheese or meats.

"The law requires that the Food Stamp Program permits the poor to purchase a nutritionally adequate diet; and, that the Government make every possible effort to insure that the eligible poor receive the benefits of the program.

"Yet, after 4 years, the census figures and food program participation figures show that there are still some 263 "Hunger" counties in the country in which two-thirds of the poor are receiving no food assistance.

"The figures show that in three states alone—Texas, North Carolina and Virginia—almost 2½ million of the poor are being bypassed by Federal food assistance efforts.

"The figures also show that some 118 counties are reaching 10 percent or less of their eligible poor.

"Despite this clear picture of continuing food assistance across the country, the Agriculture Department returned nearly $400 million in unspent food stamp funds to the Treasury last year, and will apparently return about the same amount this year.

"These are funds that could be far better utilized by the poor and the hungry than by the Treasury. They could be used to improve the basic benefits in the program and the administration of the program to really insure that people can participate.

"Finally, as an important sidelight to the hearing, the committee will explore the question of world hunger and food needs, particularly how that problem relates to our efforts to feed the hungry poor here at home and provide adequate food at reasonable prices to all our people."

THE COMPLETE LIST OF WITNESSES FOLLOW

Earl L. Butz, Secretary, United States Department of Agriculture.
Clayton Yeutter, Assistant Secretary of Agriculture for Marketing and Consumer Services, USDA.
Edward J. Hekman, Administrator, Food and Nutrition Service USDA.
Howard Davis, Deputy Administrator for Programs, Food and Nutrition Service, USDA.
Laurel C. Meade, General Sales Manager, Export Marketing Service, USDA.

FEDERAL FOOD PROGRAMS

Hunger in 1973

MONDAY, JUNE 4, 1973

U.S. SENATE
SELECT COMMITTEE ON
NUTRITION AND HUMAN NEEDS
Washington, D.C.

The Select Committee met at 10:10 a.m. in room 1114 of the Dirksen Building, the Honorable Edward M. Kennedy, presiding.

Present: Senators Kennedy, Percy, and Bellmon.

Staff members: Kenneth Schlossberg, staff director; Alan J. Stone, counsel; Marshall L. Matz, assistant counsel; and Vernon M. Goetcheus, chief, minority staff; Elizabeth P. Hottell, professional staff.

Senator KENNEDY. The hearing will come to order.

OPENING STATEMENT OF SENATOR KENNEDY, PRESIDING

Senator KENNEDY. I am pleased to open the hearing this morning for testimony from officials of the U.S. Department of Agriculture. It is my hope that today's testimony will produce essential information that the Senate may use in its efforts to provide nutritional adequacy for needy people both here at home, and in famished countries around the world.

Last Wednesday, I was privileged to chair a hearing [1] for this committee when officials from the Department of Health, Education, and Welfare described existing Federal food assistance programs designed to aid America's elderly residents. Although, significant measures have been taken to help our senior citizens in this regard, the testimony left no doubt that substantial resources and constant supervision will be required to assure that our older citizens will receive the help they deserve.

Ironically, the administration seems intent on cutting back on nutritional assistance to the elderly in one direction, at the very time that we are moving to provide needed assistance for them. We know that the administration had initially opposed nutrition for the elderly programs. Now the administration threatens to prevent establishing eligibility for those 1.5 million elderly poor who were eliminated from the Food Stamp Program by H.R. 1.

At one point last year, the administration actually cut 75,000 old people from the Food Stamp Program. Congress was told there simply wasn't enough money to feed everybody. So Congress added $200 mil-

[1] Feeding the Elderly, hearing of May 30, 1973; Series NTE/1.

lion for the Food Stamp Program. Then the administration admitted it had impounded the $200 million the Congress added.

Other examples of the administration's insensitivity to the needs of those who deserve aid, with food programs in this country, were seen when the Nation learned about the School Lunch Program and the summer recreation program. In both cases, secret budgetary decisions to save money took precedence over the painful groans of empty stomachs.

And so it is, that we are here today because convincing evidence suggests that we have yet a long way to go". . . to assure every U.S. resident adequate food . . ." as declared in the Senate resolution which established the Select Committee on Nutrition and Human Needs 5 years ago. The record shows that since 1968, when this committee was formed, millions of poor and hungry Americans began to receive help they never dreamed would come their way. In 1968, less than 6 million needy Americans were enrolled in Federal food assistance programs. Today, Department of Agriculture figures show there are nearly 15 million food assistance recipients.

During these years, the Department demonstrated that its resources can be directed not just toward the interests of food producers, but the Department has also shown that it can respond to the claims for aid by those who are hungry. Yet, I have personally witnessed during those years, that action by the U.S. Department of Agriculture has very often been a direct result of concerted efforts launched by this committee and the Congress, diligently attending to the matter of ensuring that available Federal resources will serve hungry people.

"Hunger—1973," the report published last month by the Select Committee staff, reveals that at least 13 million poor people who ought to be getting either food stamps or commodities are not getting them. Sadly, our national focus has turned away from the problems of the poor. Many people apparently have assumed that poverty has been eliminated in America. But it hasn't. A decade ago, 36 million Americans were poverty stricken. Today, 26 million people fall below, the poverty line. And since—by the Government's own calculations—the poverty line is based on the ability to purchase an adequate diet, then those in need are hungry people.

"Hunger—1973" startingly reveals that 48 percent of the poor still do not get adequate food. We have come a long way since 1968 by providing food aid for some 12 to 15 million poor people. We are here today, because a colossal gap still remains in the promise to feed all of those who are in need.

Both the Congress and the Agriculture Department share the responsibility for ensuring that we feed all of the poor. But I am dismayed at the Department's claim that the hunger gap has been closed.

The Select Committee print "Hunger—1973" identified 263 counties in this Nation that shamefully bear the label "Hunger Counties" because two-thirds of the poor people in those counties receive no Federal food aid.

Moreover, when the food problems of the poor are reviewed in relation to the rest of our society, it is quite clear that they are seriously affected by the current food crisis. High food costs are pinching the pocketbooks of every consumer. Higher income wage earners surely know the problems they face because they are paying much more this

month for the same foods they bought a year ago. We know therefore that older citizens on fixed incomes, and the poor, are in a survival struggle to keep a food budget balanced on an ever shrinking income.

Mrs. Saundra Graham, a mother of five children from Cambridge, Mass., describes quite eloquently what . . . "it's really like to be poor today." She says, "It's a matter of survival. You've got to have food to survive. With meat prices the way they are now, we've had to really rearrange our diet . . . Meat? I haven't eaten meat for about 3 or 4 weeks. We don't have meat in our freezer because I don't have a freezer. And there's none in the refrigerator either.

"We don't get food stamps in Cambridge. Instead, we have to rely on surplus foods. . . . We used to get surplus cheese, but now, it's not on the surplus list. . . . We used to get juice all the time but not anymore. They've not only raised the prices on meats and other things, they've also cut the surplus foods so it's really hard to make a dinner. . . ."

Mrs. Graham makes her point well. While families in the rest of the Nation shift their spending simply to maintain customary eating habits, people on fixed income are often forced to totally give up many of the foods that are good for them.

Even worse, inflation and other economic pressures also threaten Government food assistance programs. For food stamps, benefits are supposed to rise with cost-of-living increases. But those increases are not keeping pace with runaway prices.

At the same time, according to "Hunger—1973," "A more obvious result of higher food costs is the serious undermining of the already questionable nutritional content of the commodity program." Three million poor people had looked to the commodity program for dried milk, dried fruit, pork, beef, turkey, lunch meat, and cheese. But because the Government is trying to fight inflation, the U.S. Department of Agriculture has been unable or unwilling to buy these foods.

Once again, the poor end up as casualties in a battle designed to fight inflation, but a battle that is destined to ignore the people who are hard put to help themselves, even in the best of times.

As we gather testimony from the distinguished witnesses who are here today, there ought to be substantially new evidence to suggest how people in need of food assistance in this country can begin to receive help.

At the same time, it will be useful for our purposes to examine food assistance programs that are designed to supplement needy people around the world. For some time, I have been deeply concerned that our national food policies are constructed primarily to serve the needs of those who produce foodstuffs. We somehow, have failed to maintain the high purpose for which such projects as the Food for Peace program was originally conceived. It is well known that in South Asia, parts of Africa, Bangladesh and in many countries of South America, critical worldwide food shortages have seriously affected the lives of hundreds of thousands of people.

I am hopeful that, during the hearing this morning, we can examine ways that America's resources can be extended not only to needy citizens here at home, but we need to know how to also meet the needs of more people around the world who know that America can also reach out to aid their deserving clamor for help.

I am pleased to welcome all of the witnesses to the hearing today. I look forward to the information that you may provide the committee about vital food shortages.

But before we begin to hear from our witnesses, I will ask our distinguished ranking minority member, Senator Percy, if he wishes to add his comments at this time.

Senator PERCY. Thank you, Mr. Chairman.

STATEMENT OF SENATOR PERCY

Senator PERCY. I join with Senator Kennedy in welcoming our witnesses from USDA this morning. I share his keen sense of disappointment that Secretary Butz is not able to be with us since I know of his interest in these programs.

I think this is a very appropriate time to be holding this hearing because we are beginning debate on the farm bill. This is a good time for a change in direction in our farm programs in order to encourage an increase in production and thereby help to curb the ever-rising food prices which are particularly harsh on the poor.

I want to point out this morning that we have of course made great progress in closing the hunger gap under this administration. We are providing more food to the poor and the hungry than was ever thought possible 4 or 4½ years ago. This report, "Hunger—1973," documents the progress that has been made.

We all can take great pride in this progress. It has been the result, I believe, of the fact that hunger and malnutrition are not partisan issues: the war on hunger has enjoyed bipartisan support from the very start. No party and no political figure favors hunger or malnutrition. While we may disagree from time to time on tactics and strategy, we all are united on our goal: We want to end hunger for all time in this country.

Finally I want you to know that we on the Nutrition Committee will continue to be the advocate of the poor and the malnourished in this country. I believe this committee has been a positive force in promoting the war on hunger, and I can assure you that it will continue to be so until we have closed the hunger gap completely.

Again, I welcome you here this morning and I look forward to hearing your testimony.

Thank you, Mr. Chairman.

Senator KENNEDY. Thank you, Senator Percy. I am proud to say that on this Select Committee there are, really, no two sides of the aisle. The problems of nutrition and human needs find a great response in every member of this committee.

Senator Bellmon?

STATEMENT OF SENATOR BELLMON

Senator BELLMON. Thank you, Mr. Chairman. I am heartily in accord with your last statement. The needs of the people must be met and our farmers must produce sufficient to feed, nutritiously, not only the peoples of Bangladesh—and other areas of disaster in the world—but have sufficient for any reserve called upon.

As I am also a member of the Committee on Agriculture, I well know the problems of the farmers. At the present time we are trying

to move from an area of overproduction—and the consequent land bank nonproductive use—to a need for new production and use of the land.

This cannot be accomplished overnight. Generally, it takes a year or two to gear up before the crops begins to yield. Also, inflation and higher prices have caught the farmer in the same bind that other Americans are feeling. Their cost factors—equipment, labor, fertilizers, crop grain and so forth—have all risen tremendously. I am happy to hear that, according to prognoses, we will soon be back to our fine abundant crops.

The farmers must not be driven out of business—that is one of the reasons for the farm bill parity section. If the farmer—like any other business or working man—cannot earn a sufficient return on his investment or sufficient to feed his family, he will shut down and attempt to find some other way to earn his living. We have the ability to produce sufficient food not only for this country but for many other nations that depend upon us to supplement their food supply. We must not endanger this ability by forcing our farmers out of business. On the whole, their return from investment is one of the smallest of any "industry"—yet it is the one basic industry that is the most important to man. Food must be had in order to live; all other industries are luxuries as compared to the production of food for mankind.

I am proud of what the farmers of America have done, and will do in the future. The U.S. Department of Agriculture has also made remarkable progress through their Food and Nutrition Service, particularly in respect to the School Lunch Program. If there is no objection, I would like to submit several charts covering the progress the USDA has made in this respect.

Senator KENNEDY. They will be included in the record.[1]

We are pleased to have our witnesses from the U.S. Department of Agriculture, Assistant Secretary Clayton K. Yeutter. He is accompanied by Mr. Edward J. Hekman, administrator, Food and Nutrition Service; Mr. James Kocher, director, Food Stamp Division; and Mr. Laurel Meade, administrator, Export Marketing Service. We look forward to hearing your testimony.

As others have mentioned to you, I believe that one of the most dramatic statistics—mentioned last week in the Washington Post—showed that soybeans were now $11 a bushel, a year ago they were $3.44, a nearly 300 percent increase. A bushel of wheat this week at $3, last year $1.60—again, up approximately 100 percent.

When we realize the impact that the feed grains have on meat, poultry, and eggs, we know that—unless we see some very dramatic action—we will see a continuation of the escalation of the cost of food. Of course, what that escalation will mean to the hungry in this country is going to be drastic.

We want to know what you gentlemen propose to do about it! We want to hear what you gentlemen propose to do about it! We want to hear if you feel that there is either legislation needed or additional resources to help you do the job that was mandated by the Congress. We hope you will express those views as well.

We want to cooperate with you, but we want to get positive answers as well.

---

[1] See Appendix, p. 227.

You may proceed in whichever way you choose. We have the USDA statement. We will enter it in the record [1] and you may use that as a basis of departure. Also, you may care to read it along and we will interrupt you with questions now and then.

Mr. YEUTTER. As you prefer, Senator Kennedy.

STATEMENT OF CLAYTON K. YEUTTER, ASSISTANT SECRETARY, USDA, ACCOMPANIED BY EDWARD J. HEKMAN, ADMINISTRATOR, FOOD AND NUTRITION SERVICE; JAMES KOCHER, DIRECTOR, FOOD STAMP DIVISION; AND LAUREL MEADE, ADMINISTRATOR, EXPORT MARKETING SERVICE

Senator KENNEDY. You may respond also to any of the comments that have been made by Senators Percy, Bellmon, and myself by elaborating upon them or by drawing particular attention to them; and we will also respond.

Mr. YEUTTER. All right, sir.

Senator PERCY. I wish you would comment on why Secretary Butz found it impossible to be here this morning.

Mr. YEUTTER. I'll do that right now, Senator Percy.

As you know, the intention as late as last Friday was that he would be here. I don't know the chronology of the distribution of the statements, but apparently it was simply a matter of the farm bill coming up on the Senate floor tomorrow. Also, I believe three subcommittees of the House are meeting this week and he just felt that it was imperative that he be accessible to people on both sides of the Congress during a very critical time.

Senator PERCY. Will he be testifying——

Mr. YEUTTER. He is not testifying, but he's having conferences with people who are involved in the—both the presentations from our standpoint and in meeting with the Senators and Congressmen who are involved.

Senator KENNEDY. We have Senators from both sides of the aisle here this morning.

Mr. YEUTTER. Yes. I understand that.

Senator KENNEDY. We want to have a good conference here, ourselves, this morning.

Mr. YEUTTER. I understand that. I am sorry you have to confer with the second team, but I'll respond as effectively as I can.

Senator KENNEDY. Well, as you understand it's no reflection on you or any of your colleagues. We welcome your presence but we wanted the Secretary here also.

Mr. YEUTTER. Before I read the statement, let me clarify who is here for your benefit.

I am Clayton Yeutter, the Assistant Secretary for Marketing and Consumer Services. One of the agencies under my jurisdiction is Food and Nutrition Service.

Ed Hekman here is administrator for the Food and Nutrition Service and then the next echelon of supervision down the line is the Director of the Food Stamp Division, Jim Kocher, and at my right is Laurel Meade, who is Administrator of the Export Marketing Service and the Public Law 480 program falls under this jurisdiction.

[1] See also, continued statement of Mr. Yeutter, p. 191.

Senator Kennedy. I'll just quickly read this statement and then we will move into questions.

Mr. Chairman and members of the Select Committee, I appreciate this opportunity to meet with you to discuss the status of the Federal family food assistance programs.

The role of this committee in focusing public and congressional attention on poverty-related hunger and malnutrition is widely recognized. In recent years, representatives of the Department of Agriculture have met frequently with you to report on the growth in participation and funding that was stimulated by the President's commitment to end that problem in America.

Various members of the Select Committee on several occasions have been most complimentary of the record of achievement by this administration in the food assistance activity. And the Department appreciates the recognition of accomplishments contained in the latest staff report, "Hunger—1973." [1]

Primary Concern of Programs

The primary concern has been and is still one of providing food benefits to the greatest possible number of eligible needy—to those individuals for whom the food assistance programs are designed.

There are today marked contrasts from just 4 years ago this month when the President delivered his oftquoted "Hunger Message" to the Congress and the American people. Then more than 400 counties lacked a family food program. Today there are only six counties without Federal food assistance, and one of those—Hunt County, Tex.—plans to start the Food Stamp Program in a few months.

Participation in the family food programs has more than doubled from 7 million in 1969, to over 15 million people in 1973. It should be noted, too, that in the Nation's schools less than 4 million needy children were reached with free or reduced price lunches in 1969—this year some 9 million children are receiving such lunches.

Analysis of reports on participation for the past 2 years shows that the constantly rising curve of food program participation flattened out in the final months of 1971—and the level of participation has shown very small gains since then.

CONTINUED STATEMENT OF MR. CLAYTON K. YEUTTER

Congressional action in providing the needed annual appropriations has made these accomplishments possible. Spending for all food assistance programs in fiscal year 1973 will exceed $4 billion. In the budget for fiscal 1974, the administration again proposes to spend over $4 billion on this one area of domestic social assistance.

It's appropriate to recognize another significant contribution to the effectiveness of our delivery systems for getting food, or the means to buy food, to the poor—that is the hard work of the thousands of concerned local, State and Federal employees who administer all the food programs.

Even though family feeding programs are available virtually everywhere in the country, not all people have equal access to them because services may not be what they should be in some counties. The Department has undertaken a num-

[1] For sale by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. Price 60 cents domestic postpaid or 35 cents GPO Bookstore. Stock No. 5270-01803; single copy available upon request to U.S. Senate Select Committee on Nutrition and Human Needs, Room 301, Dirksen Annex, Washington, D.C. 20510, as long as supply lasts.

ber of activities to overcome this inequity, such as evaluating programs and working toward needed improvement with local and State agencies.

Just recently, the Food and Nutrition Service announced revisions in the income standards and basis of issuance for the Food Stamp Program. These changes become effective July 1 and will result, for example, in a four-person household receiving $116 a month in food coupons instead of the present $112. The monthly allowable income for that household will rise from the present $373 to $387.

These changes, together with ceilings that have been imposed on the price of beef and our efforts to increase supplies of food in the market place—indeed the whole broad spectrum of anti-inflation measures being taken—all these should help stabilize the food situation for low-income families.

We are greatly concerned about the present food supply situation, which is not to be regarded as permanent. There should be an easing of current pressures as the administration's measures to alleviate them take hold. In the meantime, everything possible is being done to minimize the impact of these circumstances on families in the food distribution program.

USDA people are keeping in close touch with State cooperators in the food distribution program, monitoring supply inventories, encouraging the most effective use of food that is available.

And judging by reports of State food inventories plus new food purchases moving to the States, it's fair to say we're managing reasonably well overall. But this calls for adjustments and substitutions. For example, in the fruit and vegetable area, needy families are getting canned fruit instead of the vegetables that are in short supply right now. Of the protein foods, extra quantities of canned poultry are being offered to compensate somewhat for the cheese and canned luncheon meat that are in short supply.

Some of the 1971 amendments to the Food Stamp Act have been very helpful in program administration, and thus to potentially eligible families. National eligibility standards, for example, have made it possible to make known the details of the program nationwide. Millions of copies of fact sheets that explain each phase of the program standards have been circulated. This has facilitated efforts to spread the word widely as to who may be eligible, how much they pay for coupons, and what benefits they may expect.

You are probably familiar with Project FIND through which some 24 to 25 million informational pamphlets on the food assistance programs were mailed with Social Security checks last summer. This campaign to inform people of food program availability was the direct result of recommendations made earlier by those participating in the White House Conference on Aging. Some 190,000 people over age 60 became new participants as a result of this drive. It was a massive saturation effort to get the word out that help was available. Literally hundreds of newspaper articles also carried accounts of the project and its progress. State outreach programs can now build on this momentum.

All of which brings us to the question of where we are in the drive to end poverty-related hunger in America. Surely there is more to be done—and we are determined to do everything that can be done to fulfill the President's commitment.

At the same time, there is convincing evidence that monthly participation figures understate the reach of these programs. There are many families who participate only briefly—the temporarily unemployed and seasonal workers, for example. USDA estimates that the number of people participating at least once during any 12-month period may be as much as 40 or 50 percent above the average monthly participation. In other words, family food assistance programs may well be used by as many as 21 to 22 million persons a year.

On the other hand, it is not valid to assume that families below the poverty level as reported in the census are all eligible for food assistance; that assumption tends to overstate the total need for food assistance. There are significant conceptual differences between the factors used to estimate the census poverty population—and the eligibility requirements for food assistance programs.

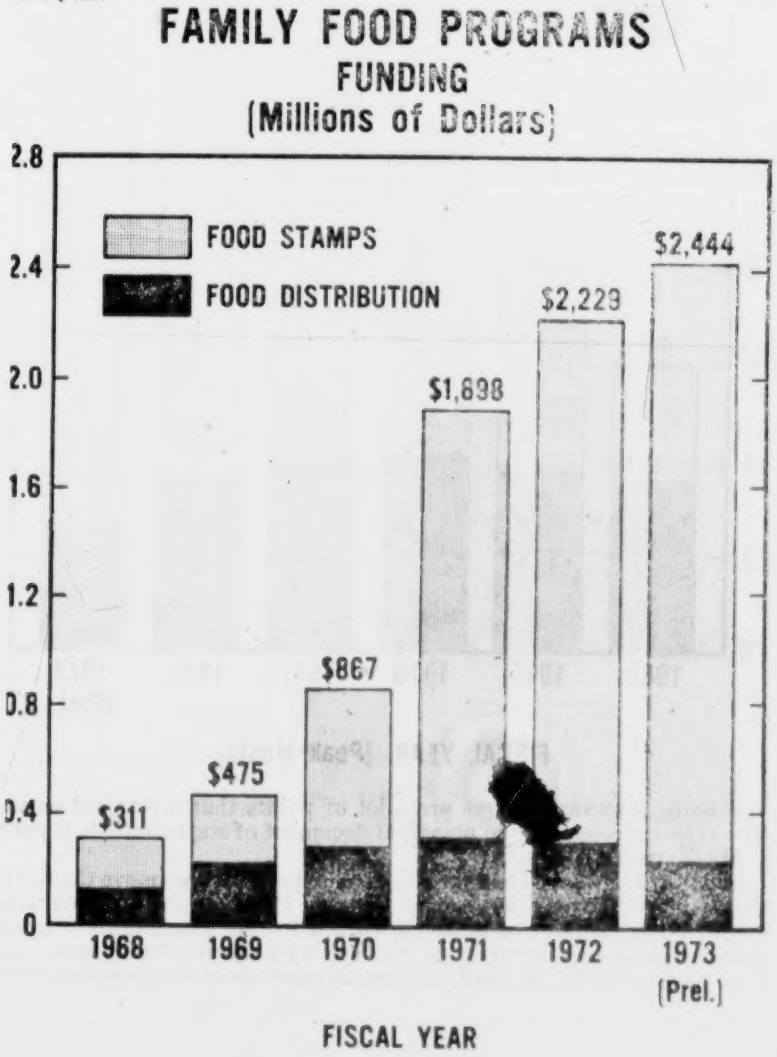
Steps are being taken to get a better fix on the number of people eligible for food programs, through a methodological study to refine these data. In addition, the Office of Management and Budget has an interagency committee now reexamining census poverty concepts in the light of the uses made of these data and the measurement problems involved.

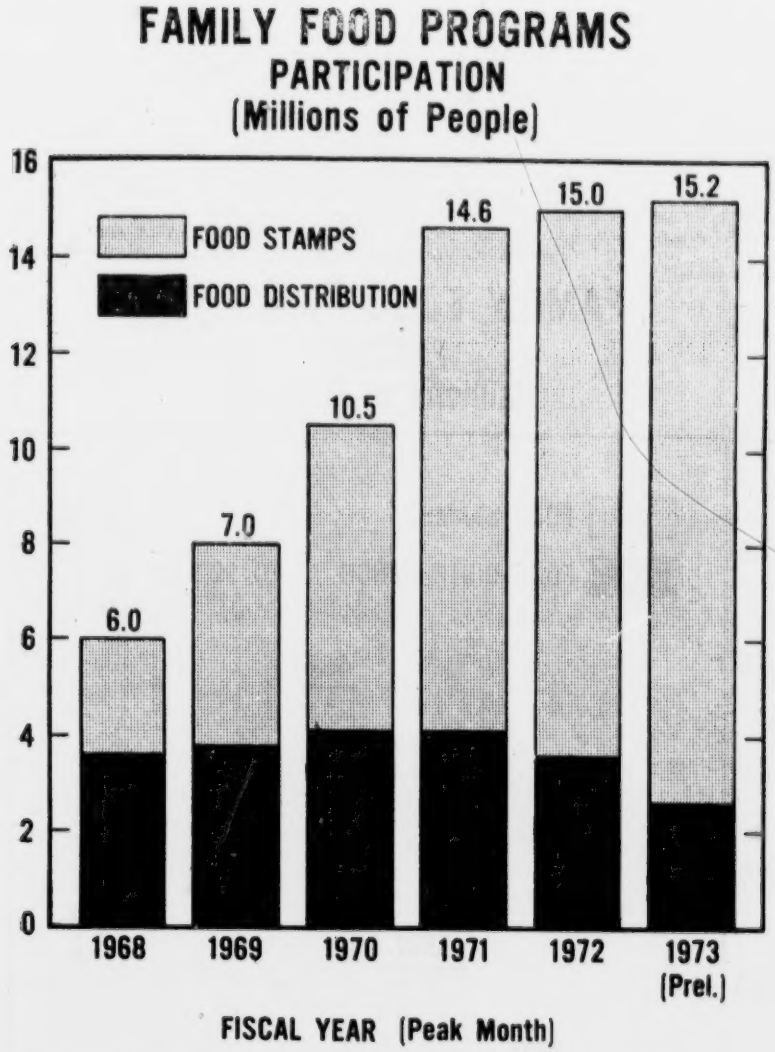
Mr. Chairman, the letter of invitation to these hearings indicated your interest in the food-for-peace program. We are continuing to use the food-for-peace program to meet humanitarian needs of friendly nations, as well as develop export markets for U.S. farm products. This program is authorized by P.L. 480,

which would be extended from 1973 to 1978 by the farm bill recently reported out by the Senate Committee on Agriculture and Forestry.

Since its enactment in 1954, P.L. 480 has been responsible for agricultural product exports valued at more than $20 billion in concessional sales and donations. Currently, it is operating at an export level of about $1 billion a year, well below the peaks attained in the mid-1960's. About three-fourths of annual exports are sold for long-term credit, and the rest is donated to other governments, to voluntary relief agencies abroad or to the multinational world food program.

Under the law, domestic needs, adequate carryover, and anticipated exports for dollars must have priority ahead of P.L. 480 availability. However, even in an unusual export year such as this, we have been able to make reasonable quantities of wheat, rice, feed grains, blended foods, and several other commodities available for food-for-peace sales and donations. We expect to continue to do so next year.





Senator KENNEDY. There are a lot of points that are raised as we move through—this is the principal document of statement—is it not?

Mr. YEUTTER. Yes, sir.

Senator KENNEDY. There might be more points, as we move through, that I hope Senator Bellmon or Senator Percy might question you about. We'll just sort of move through it in this way and have some other questions at the end. As you are well aware, the figures that were worked out by our staff committee report show that instead of the

15 million people in 1973, it is some 12 million. You are familiar with that?

Mr. YEUTTER. That is with the Food Stamp Program.

Senator KENNEDY. That's correct.

Mr. YEUTTER. Food stamp plus food distribution would come out to approximately——

Senator KENNEDY. So you agree that their figures are accurate with regard to the stamp program, as far as you have been able to determine?

Mr. YEUTTER. I believe so. Yes.

Senator KENNEDY. And with regard to the schools, your 4 million children with free or reduced lunches in 1969—9 million are receiving the—at the present time, is that correct?

Mr. YEUTTER. Yes. Those are round figures, too.

Senator KENNEDY. What number of children are not receiving it?

Mr. YEUTTER. Are not receiving it?

Senator KENNEDY. That would otherwise be eligible.

Mr. YEUTTER. Mr. Hekman, do you know how many children might be eligible beyond that?

Senator KENNEDY. Our figures are approximately 2 million.

Mr. HEKMAN. Could we defer on that question for about 10 minutes?

Mr. YEUTTER. Mr. Hekman said he thought it was—something over 1.3 million.

Mr. HEKMAN. 1.3 or—

Senator KENNEDY. The figures we have were 2 million. How much money was being returned to the Treasury under the program itself?

Mr. YEUTTER. The Food Stamp Program? Well, the Food Stamp Program as you know now is an open-ended program, so we use whatever funding is necessary to perform what's now denominated as performance funding, which means that anyone who applies receives the amount of benefits that are authorized.

If there are any funds turned back, it is only because the initial budgetary estimate was high as to the number of people participating. There is no money turned back in order to decrease the payments to any particular person.

Senator KENNEDY. You mean that the money that you are turning back indicates that there has been full utilization of the program in terms of application, not that there aren't those that are out in the country that are in need of the program.

Mr. YEUTTER. It merely indicates that at some point in time it's necessary to make a budget estimate of how many people will be participating in these programs, and those estimates are made months and months ahead of the actual implementation of the program. And if the estimates are low, we need to ask for a supplemental; if they are high, then there are unused funds——

Senator KENNEDY. So there will be a return of some funding, is that correct?

Mr. YEUTTER. This varies from fiscal year to fiscal year. Jim, do you have any figures on fiscal year 1973?

Mr. KOCHER. It looks like we will be a little bit long this year, if you remember——

Senator KENNEDY. Excuse me. A little bit what?

Mr. KOCHER. A little bit too much money. Last year the Congress put $180 million in reserve for us in case we ran short so we wouldn't have to come back for supplemental. It is doubtful at this point that we will spend all of that.

APPROXIMATELY $180 MILLION TO BE RETURNED

Senator KENNEDY. Well, what is the latest, then? Is it $180 million that will be returned to the Treasury, approximately?

Mr. KOCHER. Approximately, yes.

Senator KENNEDY. Approximately $180 million.

And then I believe you've indicated that you've got either our figures of 2 million or your figures of 1.3 million schoolchildren who would be otherwise eligible for the Food Stamp Program if the paperwork were worked out for that.

Mr. YEUTTER. For the School Lunch Program. And I suppose, Senator Kennedy, that if everyone who is eligible for a food program participated in that program, the $180 million figure that you are talking about would probably be inadequate. It's a question of how many people actually participate.

Senator KENNEDY. How do you see your responsibility to reach out to those either 2 million children or the 1.3 million, given the fact that you've got approximately $180 million. How do you see your responsibility to reach out to those individuals.

Mr. YEUTTER. Senator Kennedy, we feel that our responsibility is very clear in this area. It's been delineated by the Congress, and we have a responsibility to carry out an aggressive and dynamic out-reach program to attempt to bring as many of those people into this program as is feasible.

Obviously there has to be some practical limitation as to how far an outreach program is carried out. I suppose one could go to the extreme and say we ought to hire a million extra people in the Food and Nutrition Service and have them out finding people who are eligible. That is obviously unreasonable. So that the question becomes, you know, just what kind of effort is reasonable, practical, and feasible to expend in terms of attempting to bring in as many people as can possibly be brought in.

And I'll take no credit for this, because I have not been in this position long enough, but I have to say that I think the Food Nutrition Service has done a very fine job on out-reach. They have expended a tremendous amount of effort and a tremendous amount of money in recent months and years to attempt to reach eligible people.

Senator KENNEDY. Well, wouldn't the expectation of the Congress having appropriated the funding, the $180 million in additional funding, don't you think that you are under the general admonition of the Congress to reach out and at least extend that funding given the fact that there are needy children, let alone other adults in the country—I don't think anyone's expecting you to go out and spend the money wastefully or inefficiently, or build up a heavy administrative infrastructure that is unnecessary, but even given your own figures on this in this area about the number of children that would otherwise be

eligible, let alone the number of older people, we haven't even started in on those figures and statistics, and we know that there are millions of those individuals. Don't you think that we have a right to expect that that responsibility would be met.

Mr. YEUTTER. Well, certainly, Senator Kennedy, the $180 million of course was in reserve for use by the participants themselves. The $180 million was not intended to be expended for out-reach activities. But nevertheless outreach is our obligation.

Now with respect to the specific matter of older people, as you undoubtedly know a massive effort was undertaken last year in Project FIND to reach older people and some 190,000 additional people were added to these programs as a result of that effort. I should also add that the primary responsibility here is a State responsibility. At least as we would visualize it. I suppose one could likewise say that we have a congressional commitment to carry out an out-reach program, too, and we recognize that. But nevertheless, as a practical matter, the State has to carry the major share of this load and we have asked every State to prepare out-reach programs, to indicate specifically how they are going about reaching more people to bring them into these programs.

Senator KENNEDY. How much was spent on out-reach programs last year?

Mr. YEUTTER. Do you have a figure, Mr. Hekman?

It probably was not broken out as a specific budgetary item, but perhaps we can have a ballpark figure.

THE OUT-REACH PROGRAMS

Mr. HEKMAN. Mr. Chairman, presently we have arrangements in 43 States including the District of Columbia for out-reach programs. They have to submit a plan to us and we've approved 43 plans. We're in the process of approving the balance. We're having just a modest amount of difficulty lining up the other five.

The amount that the State spends——

Senator KENNEDY. Tell us which States those are.

Mr. HEKMAN. We'll submit that.

Senator KENNEDY. Was my State one of them?

Mr. HEKMAN. No, I think—well, we can submit that. We have it with us here. The following States have not had out-reach plans approved: California, Connecticut, Indiana, Kansas, and Nebraska.

The arrangement with the States, Mr. Chairman, contemplates matching Federal funds to State funds, so how much is going to be spent will depend on the activities of the State. Now, I am not prepared to state fiscal 1973 how much money the States will spend and how much will be matching in this area, but perhaps Mr. Kocher has a ballpark figure.

He does not.

Senator KENNEDY. There must be some indication.

Mr. KOCHER. The matching claims come in after the fact. Most of the States just started this fiscal year with their out-reach plans and so the matching claims have not yet arrived in our office. They're just now arriving for the first half of the year. We won't get the ones for the

second half of the year until about September and October of this year.

Senator KENNEDY. Well, you can't tell us what has actually been expended?

Mr. KOCHER. No, we won't know that until after the fact. The biggest single item this year will be our out-reach effort in Project FIND. That will be the one that's the most costly. And that reached—you know, every county. We mailed out better than 24 million letters to elderly people who were on social security during the year.

Mr. YEUTTER. And I suppose one of the major budgetary items, Senator Kennedy, would be the massive amount of materials that we provided for the States to use in this activity. Slide materials and posters and pamphlets, and a tremendous number of different documents that they can use in support, plus of course——

Senator PERCY. There's a corollary. I think we should be just as concerned about abuses and about fraud and the misuse of the program because that really takes it away from those who are most in need. Can you describe whether or not you feel there is taking into account the size of the program any excessive use or abuse of it, any fraud involved and what the Department is doing to try to prevent that. The integrity of this program is the foundation of it and should it become known that it's being abused, excessively, then certainly that would undercut the whole purpose of it.

LOW RATE OF VIOLATIONS

Mr. YEUTTER. I'm very pleased that you raised that issue, Senator Percy, because it's one that constantly arises, particularly from critics of the program who seek means by which it may be castigated or indicted. Each time a violation is prosecuted it makes big headlines. Many people assume that that means that everyone in food stamps is cheating and there is massive fraud and massive violative intent.

That simply is not the case. In fact I am personally surprised to find the rate of violation to be so low. I think it is encouraging that we have a situation where really most people are still basically honest. Probably people who are participating in these programs are just as basically honest as people who do not participate in these programs.

Senator PERCY. I think that's one of the most important statements that's ever been made before this committee because there is a feeling that there can be in the administration of this kind of a program a tremendous amount of abuse.

My own personal observation is that in the area of food most people are not trying to cheat. They don't want to look like they are paupers. In fact, this great reluctance of people to say that they're in need is one of the problems you have in reaching them. They somehow feel that they don't want to be put in a degrading category of looking for a handout. Many of these people have worked all their lives, they don't want to be on the dole, they don't want to go to the county poorhouse, and that's almost the category they put this in. They're hard to find sometimes, too. They'd rather suffer in their poverty rather than admit the impoverished condition in which they find themselves and somehow we've got to reach out and say look, this is not degrading, you had nothing—it's beyond your control. You probably did have

enough to live on in 1940 prices, but here you've lived twice as long as you thought you would, and you can't make the ends meet and we want to help you.

I think that's what we're trying but we don't want to open the doors so wide that there is fraud. And your reassurance that you have seen very little of it in the program, I think is very important. Thank you.

Mr. YEUTTER. In fact, if you'd like, Senator Percy, we'd be glad to submit for the record [1] some statistics on this that very vividly illustrate that point. It has been remarkably free from fraud.

Senator KENNEDY. Just finally continuing, I understand the staff had checked with the Food Nutrition Service last Friday and their estimate was $258 million being returned. Not the $180 million. Do you have any reaction to that? Is that a correct estimate?

Mr. HEKMAN. Mr. Kocher was referring to the Food Stamp Program and perhaps the other figure included—no?

Senator KENNEDY. No. As I understand this is the Food Stamp Program. Do you know why the discrepancy?

APPROPRIATED MONEY NOT BEING USED

Mr. YEUTTER. Yes, and let me explain it. The figure of $258 million which the Food and Nutrition Service gave you last Friday is correct. It includes the $158 million which was held in contingency reserve plus another $100 million of unspent appropriated funds made available to the Department.

But actually, Senator Kennedy, the determinative factor is how well someone guessed sometime in the past. That really is not of any particular relevance in how well the participants are being brought into the program or serviced once they are in the program. That's really almost a separate issue.

Senator KENNEDY. As I understand just to go back on this out-reach program, Project FIND, there are still approximately eight States as I understand, that have not submitted their program, is that correct? This act was passed in January 1971, and we're now in June of 1973 and we still have eight States that have not submitted their program. Is that right?

Mr. KOCHER. Yes. We have five that haven't submitted plans and we have two that we're working with. They have submitted them but we have not approved them. They're not acceptable yet.

Senator KENNEDY. Yes. And does that include Puerto Rico or not Puerto Rico?

Mr. KOCHER. No. Puerto Rico is on the Food Distribution Program, not the Food Stamp Program.

Senator KENNEDY. Why is that?

Mr. YEUTTER. Every governmental instrumentality may make a choice as to which program they have and so that's the basic reason.

Senator KENNEDY. Are we supposed to assume that Puerto Rico did not ask for a Food Stamp Program?

Mr. YEUTTER. Puerto Rico has now asked for a pilot Food Stamp Program; in fact they came in to visit with me just Friday on this point. They'd like to attempt a pilot program perhaps in some areas

[1] See Appendix, p. 223.

to determine how it would work as an alternative to the Food Distribution Program, because they do have some dissatisfaction with food distribution, primarily based on their special tastes in a Latin society.

Senator KENNEDY. Is this the first indication from the officials of Puerto Rico, first indication of the desire for a Food Stamp Program?

Mr. YEUTTER. I'll refer that to Mr. Hekman, since he precedes me here.

Mr. HEKMAN. We've had meetings over the past 2 to 3 years, Mr. Chairman, with the Puerto Rican people. Recently—as recently as 3 months ago—they told us very positively that they did not want to change what they had. Now they have come in with a very, very small pilot program that Mr. Yeutter referred to, so I think we've been very responsive, Mr. Chairman, to their needs. They've never come right out and said, now we want the Food Stamp Program. We've had discussions and we've presented the pros and cons, and I can assure you that as recently as 3 months ago they were very positive—and this is the new administration down there—that they wanted to stay with the program that they had.

Mr. YEUTTER. But we are openminded on this, Senator Kennedy, and we hold no brief for one program vis-a-vis another program. We're willing to work out whatever arrangement is most feasible, cost-wise and servicewise, for Puerto Rico.

Senator KENNEDY. I understand that Puerto Rico actually submitted a plan in 1972 for food stamps. Do you know anything about that?

Mr. HEKMAN. Yes, I do. That was the basis of the discussions, Mr. Chairman, but after the discussions it was mutually agreed that they would keep the program they had. We made some very substantial improvements in the Food Distribution Program, particularly the so-called milk program that they had there. Very substantial improvements to the point where now they have made very positive statements that they want to keep the program that they had.

Senator KENNEDY. They did request though, of the Department the Food Stamp Program in 1972, and then you went into negotiation and they ended up with a commodity program.

Mr. HEKMAN. They had the commodity program and they chose it rather than food stamps. They chose this improved Food Distribution Program.

Senator KENNEDY. Do you remember why the Department was reluctant to move ahead in the food stamp area for Puerto Rico?

Mr. HEKMAN. I didn't say that the Department was reluctant, Mr. Chairman.

Senator KENNEDY. What was the view of the Department about food stamps?

Mr. HEKMAN. The view of the Department was to hold open discussions. As Mr. Yeutter indicated, we don't hold a brief for either program. And we made it very plain to the Commissioner in Mr. Yeutter's office last Friday, that it was our aim to provide a program there that would best meet the needs of those people. That has been the object of all of our discussions with them. It was a very cordial meeting Friday and I think as of right now they are having the program that they prefer.

Senator KENNEDY. Do you know why wouldn't a Food Stamp Program be a good program for Puerto Rico?

FOOD STAMP PROGRAM UNFEASIBLE IN PUERTO RICO

Mr. YEUTTER. There are some major economic questions that need to be answered, Senator Kennedy. Puerto Rico is not a major food producing entity. It's a small island and does not produce a wide variety of foods, which means it's an importing island. One of the basic questions as an example that must be answered is if the shift to food stamps were made, would it actually be economically detrimental to the participants, in that the total cost of the Food Stamp Program might well be much, much higher than the present Commodity Distribution Program.

If, for example, many of those foods must be imported from other countries, put into the stores of Puerto Rico, and then purchased by the people with food stamps from those stores, it may well be that the participants would have to pay much more for the food than is now involved in terms of merely shipping commodities from here under the Commodity Distribution Program.

We can produce, process, and ship commodities under the Commodity Distribution Program to Puerto Rico at a relatively low cost. It is only conjectural—is problematical that cannot be matched under Food Stamp Programs. So the cost to the Government of Puerto Rico could be much greater and the cost to the participants themselves could be much greater. We don't know. But that kind of question definitely ought to be answered before they embark upon an island-wide Food Stamp Program. It could be a tremendous——

Senator KENNEDY. Do you include in the consideration the nutritional impact as well?

Mr. YEUTTER. Oh, yes. That would be one of the problems with food stamps because out in the central portions of the island it is very difficult for those people to buy a nutritionally adequate diet at their food stores. This is an area in which there are very, very small—what we would call mom and pop stores here in the United States with a very limited supply of food items. So the question is can the commercial marketing system of Puerto Rico react to a Food Stamp Program and provide in all of those mom and pop stores throughout the island the kinds of foods that are needed to provide a nutritionally adequate diet. We need to know that too.

Senator KENNEDY. Are you going to approve the pilot program?

Mr. YEUTTER. We haven't even discussed it since Friday, but my own initial reaction to this, without having even discussed it with our Food Nutrition Service people, is that we ought to respond positively to Puerto Rico, but that we ought to do it in stages. In phase 1 we ought to answer some of these broad questions that could very well be determinative before we move into a pilot program.

It seems to me that we can ask those broad questions about the commercial system and the import costs and so on in a fairly short period of time.

Senator KENNEDY. When do you think they'll get a response or reaction.

Mr. YEUTTER. We'll give them a response probably within a week.

Senator KENNEDY. Just a point we got off a little earlier. Mr. Secretary. You were commenting about the State responsibilities in the development of these programs. We've seen that there's also of course a national departmental responsibility; and I refer to the provision which insures that the eligible participate. There are other provisions in the legislation which spell out in some detail the role of the State, but there's also the language to insure that the eligible participate. Obviously the part of the dilemma that we see is when the Congress has made the appropriation based upon the recognized need in the country and that the potential for eligibility and we still see, whether it's the schoolchildren or elderly people, not participating in the Food Stamp Program. And sizable figures, anywhere from $250 odd million or $180 million. There are very substantial figures which had actually been appropriated directed toward meeting this problem of hunger in this country and not being used and this language to insure the eligible participate. Many of us in Congress feel that there is a very heavy responsibility that weighs with the Department in fulfilling that requirement.

MANDATORY PROGRAM "NOT INTENT OF CONGRESS"

Mr. YEUTTER. I noted those words in the report, Hunger—1973, Senator Kennedy, and I noted further that they were italicized for emphasis. That caused somewhat of a reaction from my standpoint because although we clearly have an obligation to do the best possible job with an out-reach program and to bring these kinds of people into the program, we also must recognize that this is still a free democratic society in which people make their own decisions. If that particular provision is to be taken literally, if the Department is to quote, "insure"—end quote, that everyone eligible for the program participates, then it cannot be a voluntary program. It must become a mandatory program, and there must be penalties for people who do not participate when they are eligible.

I just cannot believe, Senator Kennedy, that it was the intent of the Congress that this program be mandatory. It seems to me that the original intent of the Congress was that we make an aggressive effort to entice or induce or convince these people that they ought to participate in the program, but not that we attempt to force them into the program.

Senator KENNEDY. But, Mr. Secretary, I don't know many hungry people that are going to make the choice to maintain being hungry. I mean that—when you say it's a free society and we want it a free democracy, and we ought to leave the choices up to people.

Mr. YEUTTER. To be hungry, and as you put it earlier, Senator Percy, some still feel that there's a stigma attached to these programs. They'd rather not participate of their own free will.

Senator PERCY. They also may be filling themselves with something that will satisfy a gnawing hunger but they are still malnourished. They have no real balanced diet. And that may be due to lack of education, or it may be lack of funding.

Senator KENNEDY. But you can't get away from the fact that the poverty level is actually established on the basis, as I understand it, of what's essential—the economy diet. Multiplied by increase—by increase by 3. So I mean you have by definition, criteria which are established by nutritionists. And we find that there are still millions of Americans who fall within that malnourished poverty group. We estimate 2 million children and millions of elderly people and it just seems to us, at least it does seem to me that there is with the return of these funds, a particular injustice and real failure to meet the congressional mandate.

How would you reach out to these people? What more—what do you want the Congress to do so that you would be able to reach more of the poor and hungry.

Mr. YEUTTER. Well, the first comment with respect to the poverty levels. The eligibility levels for this program are somewhat different than the poverty levels. In fact, they are somewhat more liberal. No one need expend more than 30 percent of his income for food. Now if, however, that person or that family voluntarily chooses to spend 40 percent or 50 percent of his income for food and less for rent or utilities or something else, then obviously his level of nutrition may vary considerably. So the poverty levels are not necessarily an indication of the nutritional situation.

Senator KENNEDY. He might be better fed, but he'll be colder in the winter, because he can't afford heating oil, or something like that.

Mr. YEUTTER. Well, again that's the decision that each family must make on its own. But your specific point is that more should be done in the way of out-reach, and that if there are more funds available, then why don't we spend more to bring more people in to participate. And the only answer that can be given to that, Senator Kennedy, is that every administration, every food nutrition service must make the decision as to how much is subjective. We could spend 10 times as much, 5 times as much, twice as much, or half as much.

Senator PERCY. Could we look at it this way. I agree with you that we'll never reach 100 percent. And we'll never get zero unemployment. It amazed me that in a name recognition survey of Senator Kennedy that I saw recently, it wasn't 100 percent recognition. You wonder where those people have been. [Laughter.]

So if you can't get 100 percent name recognition there, you're never going to get 100 percent participation in this program. Can we define the upper and lower——

Senator KENNEDY. I'm trying to think if that's something nice that Senator Percy has said about me or not.

[Laughter.]

Senator PERCY. You ought to see my recognition score—if you're discouraged.

SET UP REALISTIC GOALS

But can we take upper and lower limits and try to agree on what a realistic goal would be. Taking into account the eligibility standards found in the Department's rules and regulations, what would be the maximum and minimum estimates for the number of nonparticipants regardless of reason, recognizing of course, you'll never get all of

them. What are the goals we could set? How many people at the most are not participating now or the most that we can imagine are not, and how many at the least? What is the realistic goal say over the next period ahead that Congress and the Department ought to be working toward reaching?

Mr. YEUTTER. That is a most legitimate query. Because that's precisely the kind of policy question that must be answered in this program. Right now those answers just are not available, for a couple of reasons, but we do need to answer them. I'm evaluating the research programs that Food and Nutrition Service has programed for the next fiscal year and some of those kinds of policy questions simply have to be studied and studied very quickly. That is, incidentally, one of the deficiencies of this particular study, because these are gross statistics and one has to move behind them to find out what the reasons are in order to put those kinds of parameters on. We can't tell from the parameters that are available thus far either in this study or anything that USDA has ever done.

One reason is that we do not now know how many people are in and out of the program; therefore, we do not now know how many people actually are participating. This study shows participation in a given month of a given year and that's really not very meaningful, because that's not necessarily indicative of participation in the rest of the months of that year or today or even in that month, because—well, it is in that month, but it doesn't indicate the number of people that might go out the next month, or the number of people who might come in. There's some indication that perhaps the 12 million or so who participated in that month are really only perhaps three-fourths of the number of people who actually participate over a year's period of time. So, we are not really very far below the top level of participation right now. How far below, we don't know, because we don't have good enough statistics.

Senator PERCY. Would it be possible to have Mr. Meade, Mr. Kocher, and others of your own experts in this field, have staff personnel work with our committee to see whether we can come together? I think Senator Kennedy is trying to aim toward a goal here. If we have the same goal, it's a lot easier. Then we know what should be expected of us, and what the Department can do and what HEW and others can do.

Let's try to figure out what a realistic goal would be over the next few years. We just started out feeling that there was so much room for progress a few years ago, we just massively moved ahead. Now we're getting to the areas where I think we can refine it some.

Mr. YEUTTER. Sure.

Senator PERCY. Let's see if we can get that figure. I'd like to ask just a couple questions, Mr. Chairman, and then lead into one question in which Senator Bellmon is an expert, and that's on the agricultural program itself. I'd like to yield at this point if you want to ask a question.

Senator BELLMON. Senator, I appreciate the opportunity to ask a question at this point. I notice in the chart [1] that Secretary Yeutter has submitted that there is a rather marked increase in participation for 1968 through 1969 and 1970 and 1971. And then it seems to have

[1] See chart, p. 194.

leveled out. Does this mean now that you're getting very close to this limit—or at least the Department feels is getting close to the limit that Senator Percy has been speaking about, unless we do something dramatically different?

Limit Nearly Reached

Mr. Yeutter. Yes, sir. That's precisely the case, Senator Bellmon. Because at some point in time one reaches a level where it becomes more difficult to bring people into the program, either because they consider that there is a stigma attached, or because of ethnic reasons, or because of managerial problems at the county level, for example, in the programs, or for whatever reason. It simply means that there must be more effort and a greater expenditure of money to get the same kind of response.

You know, this is simply an illustration of the economic principle of diminishing returns that applies to almost anything. And we're moving into that diminishing return segment of this program; which means that perhaps we should in no way diminish our out-reach program. It may on the other hand indicate that if we really want to bring more and more people into these food programs, that we'll have to spend more on out-reach, at least more per person to bring additional people in.

Senator Bellmon. Well, you show that in fiscal 1973 you anticipate reaching 15.2 million people. This still leaves according to your figures 1.2 million that you will not reach?

Mr. Yeutter. The 1.3 would be school lunches, Senator Bellmon, which is separate from this. This is the family program.

Senator Bellmon. If this graph were to include everyone, what would that top figure be?

Mr. Yeutter. It's unknown, but let me attempt to give you a ballpark figure.

The estimate in this staff study here is something like 25 million people below poverty level. To avoid a complex answer, that doesn't necessarily fit with our figures as to how many are eligible for the food program, but for purposes of general discussion, let's accept that there may be something like 25 million people eligible for the food programs.

We're reaching now something like 15 million at a given point in time. Now we said that we may well be reaching something like 50 percent more than that from time to time so that instead of 15 million, we're perhaps reaching 21 or 22 million through the year. The 21 or 22 million would then compare to the 25 million, meaning that perhaps there are 3 million people that are not now being reached.

I would not want to be held accountable for those figures, because there is no way that we can either prove them or disprove them. But that would be a rough ballpark estimate.

Senator Bellmon. If you were to use your best judgment to project this graph for fiscal 1974, what number do you anticipate you would reach?

Mr. Yeutter. Participants? I'd rather refer that one to Mr. Hekman, who has more experience with the program.

Senator BELLMON. It went from 6 million participants in 1968 to 7 million in 1969 then 10.5 in 1970 and 14.6 in 1971, and now it's virtually leveled out, it's up to 15.2 million. Where would it be this time a year from now.

Mr. HEKMAN. Our budget contemplates somewhat of a reduction in 1974 due to the phase out——

Senator BELLMON. Phase out of——

Mr. HEKMAN. Those covered by the SSI program, that was referred to earlier. Those covered by the SSI program in the social security legislation.

Apart from that figure, which on our records is 1.5 million people we would estimate that the programs would go along just about at this level with a slight increase. We're budgeting that way.

Senator BELLMON. If we intend to reach these other 3 or 4 or 5 million people, we're going to have to do something in addition to what the Department's presently planning to do, that's the conclusion.

Mr. YEUTTER. That's probably a fair conclusion, Senator Bellmon. It's a little early I suppose to evaluate the efficacy of those State outreach programs. But certainly if one looks at the projections of the past 3 years, one would have to conclude that we'll probably need a more dramatic out-reach effort if we are going to pull in any significant additional numbers of people.

Senator KENNEDY. If I understand your response to Senator Bellmon do you expect to have a reduction in the expenditures for the next year because of the SSI program?

Mr. YEUTTER. Yes, sir.

Senator KENNEDY. Now, we heard from Mr. Carlucci, just last week that he expects the States to be picking up the matching fund provisions on this. He thinks that this thing is going to continue right along.

CONCURS WITH DHEW EXPECTATIONS

Mr. YEUTTER. We concur. It's simply a change in program, rather than in participation.

Senator KENNEDY. What's your estimate in terms of the numbers that are going to be reached. You're talking about lessening the total expenditures but increasing the total number of people that will be reached by food stamps or commodity distribution?

Mr. YEUTTER. No. We're estimating that there will probably be about 1½ million people in that SSI category who will no longer be covered under our program, but will be covered by the States under the SSI program.

Senator KENNEDY. Well, will the total number of people that will be reached either through your program or the State program increase?

Mr. YEUTTER. Yes, increase.

Senator KENNEDY. By how many?

Mr. YEUTTER. It will probably be a relatively small increase. Present projections that were used in the budget were for a small increase over the existing 15.2 million level. I don't have the budget figures here with me, so I am not sure what that exact figure is.

Senator KENNEDY. Well, as I understand from the statistics that were in that you have the 1973 estimate as 12,103,000 people.

The 1974 budget is 10,525,000 people.

Mr. YEUTTER. That would be approximately a 1½ million reduction in the Food Stamp Program.

Now again that ignores the Commodity Distribution Program.

Senator KENNEDY. And so that's a total reduction there of—well, 1½ million approximately.

Mr. YEUTTER. Yes, sir.

Senator KENNEDY. Those people that are getting some kind of benefits now, won't get them under your program next year, is that right?

Mr. YEUTTER. That is correct. They will be covered under the SSI program rather than this program. Now, as you probably know, and Senator Bellmon certainly knows, the Senate version of the farm bill does incorporate a provision that would reinstate food stamp benefits for that group.

Senator KENNEDY. Do you support that?

Mr. YEUTTER. No. We do not support that. We support the administration's position which is that this group of people should be handled under the SSI program, rather than under this program.

Senator KENNEDY. You know when we had Mr. Carlucci, he couldn't give us one legislature in the country that had budgeted for these programs for next year?

There are 17 legislatures that meet biannually and I think 16 of them have already met so there is only one of them that would even be able to—unless there's going to be a special session for them. I think they're operating in a lot of hopeful dreams over there. They were unable to give us one Governor that indicated that the States were going to underwrite that particular additional program.

And your estimates, as we start off, are going to be 1½ million less. Unless all the States move in this area and pick up all of that slack, we won't be feeding as many people next year as we are this year, unless every one of those States moves and we get complete funding of that program.

There will be a total reduction.

Senator PERCY. Mr. Chairman, I'd like to pursue a couple of questions I had.

Senator Kennedy and I have devoted a lot of time, with your cooperation and help, to the area of feeding the elderly, an extremely important program, and we are moving ahead now and making progress there.

IMPACT OF MALNUTRITION IN PREGNANCY

The one other area though, if any, that could be considered even more important so far as its impact on society is the area of the impact of malnutrition on pregnant mothers and unborn babies.

In 1972 there were 3.2 million babies born in the United States. About 8 percent of all these births—that is about 256,000—were low birth weight babies; that is, under 5½ pounds. Of nonwhites, it was 14 percent.

Low birth weight babies are at risk. Their death rate is some 30 times greater than higher weight babies. They suffer more postnatal illness, growth failure, neurological and physical handicaps, and mental retardation. And in 1972 there were 32,000 mentally retarded babies

born. Many times of course you can't really tell until later in infancy if the child is retarded.

Do we have any idea—and perhaps Mr. Hekman could best either answer it now or provide the answer for the record—of this number of underweight babies, over a quarter million, how many of them were due simply to lack of nourishment? Now, I know for instance that not all of them are due to that. My own twins were 3 pounds 13 ounces. I remember the horrendous time we had for months in keeping them going, with incubation, with mother's milk, and everything else to keep them alive. That was 28 years ago. What a mother must go through when a child is born underweight and face that high risk of mental or physical damage.

Do we know how many of these low birth weight babies are due to malnourishment?

Mr. HEKMAN. We know about your interest, Senator Percy, but in view of the fact that we will be back before this committee on Thursday on that very issue. Would you be satisfied if we then try to come up with an answer as best we can——

Senator PERCY. I think that would be fine. Yes. I think those hearings are very important and I think we only need your concurrence that the single most important factor influencing the birth weight of a baby is the mother's weight during pregnancy.

And in this out-reach program, if that statement is true, we have a tremendous obligation to reach out to pregnant women because of what we know can occur. Malnourishment here can result in physical deterioration or lack of growth, in mental retardation, which obviously represents a cost to society in future welfare cases.

They are being born every day now. From that standpoint you say that this program is again an investment where many times a few dollars in food can save thousands of dollars in taxpayers' liability later in life for someone who simply cannot support himself.

Mr. YEUTTER. Very definitely, Senator Percy.

In fact, this is the key program in that respect because one cannot separate the health of an infant or a pregnant woman from the health and nutritional status of the entire family. It is almost impossible to improve—not impossible, but it is very difficult to improve the nutritional status of one member of the family and ignore the others, and it's really—unquestionably shortsighted to do so. And these programs of course deal with the nutritional and well-being of the family unit, and that's one of their features.

Senator PERCY. And if we provide $1 billion for feeding schoolchildren, which no one disagrees with, and it's one of the finest programs that we've had over the last three decades, could we not put equal priority, if not even a higher priority, on the problem of providing adequate nutrition to infants? They are in an even more critical stage in their development.

Mr. YEUTTER. Yes.

Senator PERCY. Finally, I'd like to ask about the agricultural program, because it directly relates to the cost of food for all Americans—and the cost of food for those who are on food programs.

Agriculture Committee's Higher Target Prices

What would the Agriculture Committee's bill—and we have an expert with us on this bill—what would the Agriculture Committee's bill higher target prices actually mean? I have heard estimates that it might increase the cost to the farm program by $10 billion a year in its fifth year, and we are now spending $2.5 billion annually. I yield to Senator Bellmon. We'll have a chance to disagree on this bill on the floor a great deal.

Senator Bellmon. Let me quickly respond and perhaps Secretary Yeutter could answer this.

That figure that has been bandied around is absolutely and totally irrelevant to the real issue here.

Just let me say plainly, and for the record, that the target figures that we set were set high because the Senate Agriculture Committee assumes that the House is going to hack them down. We want to give them room to do some hacking, and still not get into the muscle of the program.

So I don't think those figures need to be taken as ones that will finally stand when the bill reaches its final stage. It probably will be cut down by the House.

Mr. Yeutter. Perhaps even the Senate, as a whole.

Senator Percy. My question is partially answered already.

Senator Bellmon. We more or less arbitrarily chose the figure of 70 percent parity—and those target figures represent 70 percent of parity—of course parity is not necessarily an accurate gage in every case.

The other thing is that the person who put those figures together assumed that farm prices would stay where they are forever. Thus when the costs of fertilizer, fuel, labor, interest, and other necessary production inputs rise, then, certainly, farm prices are going to have to rise.

So the fact of it is the farm bill that the Senate Agriculture Committee has proposed to the full Senate, will not cost the Treasury a penny—if farm prices stay anything like they are now.

In other words, the target prices—even as high as we realize they are—are less than current market prices—in feed grains, in wheat, in cotton, which is all the bill covers.

Senator Percy. Would the Department care to state its position on the Senate bill as it now stands? That's what we're being asked to vote on. I simply can't buy the position that I should favorably vote for a bill because I hope or know that the House is going to whittle it down to a realistic figure. I have to vote up or down on the bill. I can't vote on what I think may come out of conference. I intend to vote against this bill as it stands right now.

Mr. Yeutter. I was simply going to add to Senator Bellmon's comment that it could cost zero if farm market prices remain at high enough levels; and, it could cost $10 billion if market prices dropped to low enough levels. No one can predict what market prices will be over the next 5 years.

Senator Bellmon. One thing I think you can predict is that if farm prices go down, this country is going to go hungry. Farmers simply

can't produce food unless they have the capital to buy the fertilizer, the fuel, and pay the necessary costs of production. This bill's intent is to be sure that this country has an adequate supply of food by providing farmers an income level that will keep them in business. That's the whole purpose of it.

USDA Position on Present Senate Bill

Mr. Yeutter. Yes. Perhaps one can make reasonable prognostications of what market price levels might be over the next 5 years, because we are well aware of the strength of the demand that exists, not only nationally, but worldwide today. Those kinds of projections can be made.

With respect to the Department's position on the bill—I would not wish to preempt Secretary Butz on this score, Senator Percy—I would merely say that we do have some rather serious reservations about many provisions that are in the bill, some of those reservations will unquestionably be rectified either on the floor of the Senate or in the House. We do feel that the present target prices as specified in the present bill are unrealistic.

Senator Percy. Senator Kennedy showed a carton of milk and pointed out the astounding price of milk—which is a basic commodity for so many of our families. I am concerned that—even without any new legislation—it is estimated that in Chicago this month we are going to have a 4- to 8-cent-a-gallon increase in the cost of milk. This is just going to be disastrous, particularly for the low-income families.

The Senate committee bill calls for higher mandatory support prices to 80 percent of parity. Now I come from the northern part of our State and that is a dairy area; but, wouldn't this provision raise milk prices to the consumer? If so, how much?

Cost/Price Squeeze Will Increase Milk Prices

Mr. Yeutter. It undoubtedly would raise milk prices to the consumer, Senator Percy, at some point in time. There could be a time lag of course, but we would oppose the increase in support levels for dairy products for that reason because it would serve as an additional stimulus to price levels at some point in time.

It might also, of course, stimulate additional production at some point in time, too, and that may become necessary. Milk production unfortunately has been dropping off in recent months, and one reason that it is dropping off is that dairy producers are not doing that well in terms of their own income situations. Dairy input costs—meaning feed—have risen dramatically in recent months, much more dramatically than milk prices have.

So they are being put in a cost/price squeeze and certainly if dairy production continues to drop off, the price of milk will rise.

Senator Percy. We want to stimulate production. That's the thing that we're all trying to get at now, in all of these areas of rising prices. There is no answer for it other than to get more production. That's what we need in order to implement and fulfill these programs and spread our tax dollar in these kinds of nutrition programs as far as we can.

Has the administration clarified its own position on the Senate agricultural bill?

Mr. YEUTTER. No, it has not, Senator Percy. However, the position will certainly become clear Wednesday at the latest, at which time Assistant Secretary Brunthaver will be testifying before a House subcommittee,[1] which will be using the Senate bill as its own starting point on House legislation.

Senator PERCY. Is it true that the largest agricultural group, the American Farm Bureau, is vigorously opposing the Senate bill?

Mr. YEUTTER. That is my understanding.

Senator BELLMON. Mr. Chairman, may I intercede at this point?

Senator PERCY. Of course you can.

Senator BELLMON. I think it's also interesting that the American Farm Bureau vigorously opposed the last farm bill we passed: and now, 3 years later, they come along and want us to reenact it again. So I don't think it means anything that the Farm Bureau is 3 or 4 years behind time.

Senator PERCY. Maybe it's in comparison with what we now see coming out, I'm not sure.

STIMULATE PRODUCTION TO MEET PROBLEMS

But lastly, in view of our rising food prices, in view of the hunger gap still to be closed—and we do still have a long ways to go—will the Department's overall position essentially be one of increasing and stimulating production to meet these problems now? Will the programs and policies of the administration be aimed in the direction of stimulating production rather than paying farmers for not producing products—the concept of the 1930's, which certainly is outmoded now and should be behind us.

Mr. YEUTTER. Yes, and Senator Percy, as you well know, the Department has taken a whole group of actions already this year with that very end in mind. The throttle of American agricultural production is now virtually open in 1973 and this will begin to have an impact relatively soon in terms of supplies of agricultural products.

But not until fall, for most products. Included in that group are some that are having a major impact on some of the issues that we've just discussed. Soybean oil, as an example, and corn grain sorghum, which are inputs to dairy producers, and egg producers, butter producers and others in the short run, and there is no way that we can construct additional supplies of those commodities between now and harvest time this fall.

So we'll have a very trying short run here. But in the long run, barring unforeseen weather disasters, we'll have a much larger supply of feed grains and soybeans on hand this fall than we have had for some months, and this will have ramifications worldwide. It will depend, obviously, on the production picture around the world, too: not only on our own production picture, because we are in a world market now for virtually all these commodities, including food.

We must recognize that this is an international market now, and not just simply a domestic market around which we can draw a wall.

[1] See testimony of Assistant Secretary Brunthaver before the House Committee on Agriculture, Subcommittee on Livestock and Grain, hearing of Wednesday, June 6, 1973.

But within those constraints and with those qualifications, one can certainly give you an unequivocal positive response to your questions.

We definitely are stimulating production as rapidly as we can.

Senator PERCY. It is true, of course, that even with high food prices today—and they are high, relatively speaking, compared to two decades ago—the average American family, not the poverty family, but the average American family, is spending substantially less on food as a proportion of its total family budget.

Mr. YEUTTER. That's correct.

Senator PERCY. This is to complete the record. It is only a fair statement and expresses some of the concern Senator Bellmon is trying to address himself to. It is a very complex problem and I am trying to understand what we should do about it. We have to vote up or down on a bill pretty soon.

Mr. YEUTTER. That is correct, Senator Percy. As you know, even this year with the food price increases that have occurred, Americans will still spend on the average only about 15.6 percent of their income for food, which is the lowest anywhere in the world, and the lowest ever in this country.

Senator PERCY. That's not comforting, though, for the family spending 40 to 50 percent and still not getting adequate nourishment.

Mr. YEUTTER. Not at all.

Senator PERCY. We're not all average families.

Mr. YEUTTER. One must understand—and this is really Senator Bellmon's point—that the production will not develop, will not take place by the farmers of this country, unless those farmers can earn a decent income. We cannot expect America's farmers to lose money to provide a food supply for their urban neighbors.

Senator PERCY. I concur with that. Without any question, it's one of the reasons we have our problem today. So many farmers are being driven off the farm because their earnings on investment have been less than any other economic group in the country.

Thank you very much.

Senator BELLMON. Mr. Chairman, may I make one point?

Senator KENNEDY. Certainly.

Senator BELLMON. First of all I noticed that we didn't let the Secretary finish his paper.

Senator KENNEDY. We are going to. There is still some additional questions that I have.

THE PARADOX OF IDLE LAND AND HUNGRY PEOPLE

Senator BELLMON. I want to call attention to the committee a kind of a paradox that I think existed in this country up until very recently.

We've been through this present farm bill keeping 40 to 50 million acres of cultivated productive farmland idle, because that land didn't meet our food needs. This has been costing the Treasury some $3 to $5 billion a year. At the same time, using the figures you have in your statement, we apparently had some 10 million persons who needed food and couldn't get it because you've gone from 6 million participating in the family food program in 1968 to over 15 million in 1973.

Now then, this meant that there were 50 million acres of land idle and 10 million people who needed more food. Now, in the present crop year, your Department has released all that acreage and we're utilizing this full agricultural producing capacity. The same time, under the farm bill which we're I hope about to pass, the cost to the Treasury will be zero. So, here, what we've done is succeeded in getting the food to the people who needed it. We have now told agriculture to get busy and produce this market; and, at the same time, we are saving the Treasury a substantial amount of money.

Now the whole problem is that this has come on us very quickly. At the same time, all across the world, there were bad crops and there was a very serious need for imports from the United States.

So all we have to do, I think, is to keep our cool until Mother Nature can give us another crop. I'm in the wheat producing business and the beef business. We have the most fabulous crops coming on that this country has ever seen. I don't know what's going to happen in the corn country, or the soybeans, or the cotton, or the other crops; but I'm assuming that as soon as we have a chance to get these crops off the ground the Nation's food supplies, the granaries, are going to be overflowing again. It's always happened in the past.

Then what will happen is that we'll again have a very sharp reduction in price. I recall when Secretary Freeman told us to get out and produce to feed the world in 1964, and we did. And the income to farmers went way below cost of production. The result of it was that we had virtually a disaster—an economic disaster in agriculture.

The same thing happened after the corn blight, only 2 years ago, when Secretary Hardin told farmers to produce more corn and they did. Corn went down to 80 or 90 cents a bushel all across the farm belt, and Senator Percy's people were screaming because they couldn't get back the amount of money it cost them to raise the crops.

So all we got to do, I think, is keep the thing in perspective and remember that agriculture unlike a lot of other industries, can't simply put on another shift, or speed the motors up and get the production overnight. We have to have a year from the time we know we need the product, until we can begin to bring them to the market.

National Food Surplus 8 Months in Offing

So all we are facing here is probably 6 months or 8 months before this Nation will again have probably more food than what we know what to do with.

That was the point I wanted to make.

Mr. Yeutter. I concur, Senator Bellmon. I would have you know I'm from Nebraska, and our wheat has never looked better in Nebraska. The corn is in and growing and it looks magnificent at the moment.

This is not true nationwide. Some of the other States are further behind us in planting corn, grain and soybeans. But I'm real optimistic about that picture myself.

Senator Bellmon. How much carryover are we going to have, say of wheat or feed grains, when the current crop year ends and the new crop year begins? Will we have 3 or 4 million bushels of wheat left?

Mr. Yeutter. I think Mr. Meade has better information than I have on that. I will defer that one to him.

Mr. MEADE. Senator Bellmon, our carryover at the end of this marketing year, June 30, in wheat, will be approximately 400 million bushels. Now, our domestic need on an annual basis is running something over that, about 600 million bushels.

But I want to hasten to add that prior to June 30, much of the wheat crop in your State and others in that area will already be harvested, adding to the 400 million bushel supply.

Senator BELLMON. So we're not even close to being out of food.

Mr. MEADE. No, sir. And in feed grain we will be carrying over, in the case of corn, about 800 million bushels. No, sir, we're not going to be out of food.

The demand though is so strong all around the world, as we all know, that it is having quite an impact on prices.

Senator KENNEDY. We talked to you in an exchange of comments with Senator Percy about some of the milk costs. Of this 65 cents for ½ gallon, how much of this does the farmer get?

Mr. YEUTTER. I'm trying to remember my economics and I can't recall for sure, Senator Kennedy, but I believe it's something over half that, for dairy products.

For all agricultural products, it averages out about 40 cents out of $1. The farmer would get more out of a dairy product, because the processing costs are so much less. It's simply a matter of putting it in that package and delivering it; so the total farm share is greater in dairy products than it would be on other agricultural products which require more processing.

I believe it would be something over half.

Senator KENNEDY. OK. Well, about 1 hour ago we interrupted your statement. There is still a number of issues that we'd like to touch on. I'd like to. If you would go through it, we'll question you.

Mr. YEUTTER. Certainly. And if my estimate on that latter point proves to be incorrect, we will correct it in the record.

Senator KENNEDY. Fine.

Mr. YEUTTER. Analysis of reports on participation for the past 2 years shows that the constantly rising curve of food program participation flattened out in the final months of 1971 and the level of participation has shown very small gains since then.

Congressional action in providing the needed annual appropriations has made these accomplishments possible. Spending for all food assistance programs in fiscal year 1973 will exceed $4 billion. In the budget for fiscal 1974, the administration again proposes to spend over $4 billion on this one area of domestic social assistance.

It's appropriate to recognize another significant contribution to the effectiveness of our delivery systems for——

Senator KENNEDY. Could you give us a breakdown as to what is food stamps and what are the other commodities, et cetera. The breakdown for School Lunch Program?

Mr. YEUTTER. Certainly.

Senator KENNEDY. Would you provide that for us? For the record.[1]

Mr. YEUTTER. Certainly.

It's appropriate to recognize another significant contribution to the effectiveness of our delivery systems for getting food, or the means

[1] See Appendix, p. 224.

to buy food, to the poor—that is the hard work of the thousands of concerned local, State and Federal employees who administer all the food programs.

Even though family feeding programs are available virtually everywhere in the country, not all people have equal access to them because services may not be what they should be in some counties. The Department has undertaken a number of activities to overcome this inequity, such as evaluating programs and working toward needed improvement with local and State agencies.

Revisions of Standards for Food Stamp Program

Just recently the Food and Nutrition Service announced revisions in the income standards and basis of issuance for the Food Stamp Program. These changes become effective July 1 and will result, for example, in a 4-person household receiving $116 a month in food coupons instead of the present $112. The monthly allowable income for that household will rise from the present $373 to $387.

Senator Kennedy. Now let me ask you a question there. What percentage increase therefore do you recognize in the Food Stamp Program?

Mr. Yeutter. I have not calculated it specifically, Senator Kennedy, but it could be done simply by making a relationship.

Senator Kennedy. Well, you go from $112 to $116.

Mr. Yeutter. Yes, sir.

Senator Kennedy. And if you were to actually project what the increase in food costs were over the period of a year, wouldn't that be much closer to $125?

Mr. Yeutter. As of a particular moment in time, probably so, Senator Kennedy. As you undoubtedly know, these calculations are based each year on the cost of the food package, as of December of the preceding year. That is, the December food costs are used as the basis for the food stamp calculations for the following fiscal year.

January Food Cost Increases Not Included

Senator Kennedy. Well now, why not try and upgrade that, say, twice a year, instead of just doing it once a year. As I understand it—just by doing it once this year, we've seen the increase raised from $112 to $116. But, of course, all of us very well know that the greatest increase in the costs of food has come since January of this year, and we won't be able to see a reflection of that addition until you go to your annual increase. Why not provide another time during the course of the year—maybe every 6 months and permit an updating of the coupons to reflect those increases.

Mr. Yeutter. I have not analyzed all of the ramifications of that, Senator Kennedy, but it seems to me that it would be appropriate for us to very carefully consider that possibility. Obviously there are additional administrative costs involved all the way up and down the line in doing that. Every State has to change its computers and for counties that are on computers they have to be changed and all the tables have to be recalculated and the forms reconstituted and so on.

So there are costs involved in doing so. But likewise, we recognize the point to which you are alluding, which is simply that the food costs have become volatile; and, perhaps, annual calculations in an era of volatility are not supportable. Through the years this has not been of major issue because food costs have gone up at a very, very slow rate over the past 20 years or thereabouts. But in recent weeks, we have experienced a great deal more volatility. Certainly, Senator Kennedy, I am amenable to evaluating all the ramifications of doing something like that.

Senator KENNEDY. Well, Senator Case and I are going to offer an amendment on the agricultural bill to reflect that, so they'll be looking for administration position in any event on that.

Mr. YEUTTER. Yes. I——

Senator KENNEDY. You support it, but?

Mr. YEUTTER. I obviously cannot commit the administration, at this point, because we've not discussed it. But certainly we're prepared to evaluate the issue. There are costs involved both to the taxpayer, of course, and to all the governmental entities which are involved in the administration.

Senator KENNEDY. Do you want to continue?

Mr. YEUTTER. These changes, together with ceilings that have been imposed on the price of meat and our efforts to increase supplies of food in the marketplace—indeed the whole broad spectrum of anti-inflation measures being taken—all these should help stabilize the food situation for low-income families.

We are greatly concerned about the present food supply situation, which is not to be regarded as permanent. There should be an easing of current pressures as the administration's measures to alleviate them take hold. In the meantime, everything possible is being done to minimize the impact of these circumstances on families in the food distribution program.

WHAT ADMINISTRATION MEASURES WILL EASE PRICES?

Senator KENNEDY. Don't you want to elaborate on what those administration measures are that are going to help ease current pressure on prices?

Mr. YEUTTER. There's a whole gamut of activities that I mentioned in my colloquy with Senator Percy a minute ago, which, in a nutshell, is the loosening up of virtually all the productive land of the country in 1973.

USDA people are keeping in close touch with State cooperators in the Food Distribution Program, monitoring supply inventories, encouraging the most effective use of food that is available.

Senator KENNEDY. I read in my opening statement from a mother up in Massachusetts, in Cambridge, Mass.,[1] and she indicated the number of products that have been actually taken off that list. And said, "We used to get surplus cheese but now it's not on the surplus list. We get butter, powdered milk, powdered potatoes, canned milk, macaroni, vegetable oil, maybe dried prunes or dried raisins. We used to get juice all the time but not any more. They've not only raised the prices

[1] See Appendix, p. 228.

on meats and other things, they've also cut the surplus foods so it's really hard to make a dinner. Without meat, you've got to stop and think about what you're going to have—without making the kids tired of one thing all the time."

Now, why are these commodities being struck from the list?

Mr. YEUTTER. That letter, Senator Kennedy, is somewhat misleading particularly as viewed from a national viewpoint. We'd have to check out the specific situation. It could be that that particular situation existed at one particular point in time in Massachusetts.

But the total picture is something like this, Senator Kennedy. Those items are not off the list. They're on the list. The question is whether we can procure them and if we cannot procure those specific items, whether we can procure items that are substitutes for those. And in most cases what we have done is procure substitutes.

Meat, for example, where it's been impossible for us to buy beef and pork under the guidelines of 100 percent of parity being maximum purchase price, we've shifted to purchases of turkey and chicken.

So she is correct if meat is defined in such a way to exclude chicken and turkey. But she does have chicken and turkey available, or she has a combination of both products and cheese. Cheese was unavailable for a period of time, because we were not obtaining cheese under the price support program. There was no surplus to be purchased by the Commodity Credit Corporation under its price support activities under section 416.

Now however, in recent weeks we have purchased cheese under another authority, which is section 709. So we're doing the very best job we can of keeping a broad range of commodities available. But it has been touch-and-go under some conditions in some States at particular points in time.

CAN'T BUY COMMODITIES WITHOUT SURPLUSES

The basic reason for that, Senator Kennedy, in 10 words or less, is that the purchase authorities which are used to providing food for these programs are surplus removal purchase authorities. And it's very difficult for us to buy commodities under "surplus removal" programs when we have no agricultural surpluses.

The answer to that, Senator Kennedy, if that answer be needed—and we're evaluating it right now—would be to change the authorities for those purchase programs. To permit us to buy simply because of the needs of these programs, and not simply for purchase for surplus removal purchases. To remove that existing limitation that works as a constraint in the purchase programs for us.

Senator KENNEDY. You mean what you'd want is the authority to be able to use the funds which have been actually appropriated to purchase those commodities to insure that they'd actually be on the list?

Now, you can't do that unless they are declared surplus.

And we are finding that on some of these areas, some of these commodities, though they're listed on the list, they're just not being available because they're not surplus. Or not surplus for a given period of time, during the course of the year.

Mr. YEUTTER. That's correct.

Senator KENNEDY. And, to the extent that this letter reflects the shortage of some of those areas, it reflects accurately the current situation in some parts of the country, at least, over some period of time.

Mr. YEUTTER. Yes, however, it is not an accurate reflection of the present situation. But, without quibbling over that particular point, one must recognize that we have experienced some difficulties in purchasing items that we would like to have had in these programs.

We feel that, nationwide, we've done a good job of maintaining the nutritional quality of that diet under some very difficult circumstances. But certainly it's been far more difficult for us than anything we've experienced in many, many years.

This is the first year I suppose that anyone who's ever been connected with this program, can remember there has been a problem in obtaining surplus agricultural commodities.

Senator KENNEDY. It would certainly appear, given the kind of buying that we're under in the shortage and high cost of goods, that it could very well be a continuing problem unless you get this other authority. I mean as far as purchasing surplus products.

AGAIN, NO OFFICIAL POSITION ON PROBLEM

Mr. YEUTTER. Yes; it could. And again we've not presented the administration's position on this, so I can't make a commitment as to what the official position would be. But certainly that's a delineation of the problem.

Senator KENNEDY. Could we give you that legislative power on the agricultural bill?

Mr. YEUTTER. I would assume so; yes, sir.

Senator KENNEDY. Well, you'd better find out, because maybe we'll do that.

Will you continue?

Mr. YEUTTER. All right, sir.

And judging by reports of State food inventories plus new food purchases moving to the States, it's fair to say we're managing reasonably well overall. But this calls for adjustments and substitutions. For example, in the fruit and vegetable area, needy families are getting canned fruit instead of the vegetables that are in short supply right now.

And, incidentally, that lady mentioned a shortage of juice, and we have ample quantities of orange juice on hand. Of the protein foods, extra quantities of canned poultry are being offered to compensate somewhat for the cheese and canned luncheon meat that are in short supply. And as I indicated, we're now purchasing cheese under a different authority.

Some of the 1971 amendments to the Food Stamp Act have been very helpful in program administration, and thus to potentially eligible families. National eligibility standards, for example, have made it possible to make known the details of the program, nationwide. Millions of copies of fact sheets that explain each phase of the program standards have been circulated.

This has facilitated efforts to spread the word widely as to who may be eligible, how much they pay for coupons, and what benefits they may expect.

You are probably familiar with Project FIND, through which some 24 to 25 million informational pamphlets on the food assistance programs were mailed with Social Security checks last summer.

Senator KENNEDY. Of course that's OEO. Project FIND is OEO sponsored, isn't it?

Mr. YEUTTER. It was basically, and well, I'm not sure—not having been in the Government at that time—who carried all the responsibility. Certainly, our people participated.

Mr. Kocher, do you have a comment?

Mr. KOCHER. Yes; it was a joint project, partially funded by OEO, partially by the Department of Agriculture. The actual followup on the fieldwork was handled for us by the American Red Cross, so it was a joint project that all of us participated in.

Senator KENNEDY. Well, you're going to submit to us, anyway, what you're doing on your out-reach program.

Mr. YEUTTER. We'd be pleased to.[1]

Senator Kennedy. Thank you.

Mr. YEUTTER. The campaign to inform people of food program availability was the direct result of recommendations made earlier by those participating in the White House Conference on Aging. Some 190,000 people, over age 60, became new participants as a result of this drive. It was a massive saturation effort to get the word out that help was available.

Literally hundreds of newspaper articles also carried accounts of the project and its progress. State out-reach programs can now build on this momentum.

All of which brings us to the question of where we are in the drive to end poverty-related hunger in America. Surely there is more to be done, and we're determined to do everything that we can to fulfill the President's commitment.

At the same time, there is convincing evidence that monthly participation figures understate the reach of these programs. There are many families who participate only briefly—the temporarily unemployed and seasonal workers, for example.

USDA estimates that the number of people participating at least once, during any 12-month period, may be as much as 40 or 50 percent above the average monthly participation. This was discussed earlier this morning, too.

In other words, family food assistance programs may well be used by as many as 21 to 22 million persons a year.

On the other hand, it's not valid to assume that families below the poverty level—as reported in the census—are all eligible for food assistance; that assumption tends to overstate the total need for food assistance. There are significant conceptual differences between the factors used to estimate the census poverty population, and the eligibility requirements for food assistance programs.

OMB REEXAMINING CENSUS POVERTY CONCEPTS

Steps are being taken to get a better fix on the number of people eligible for food programs through a methodological study to refine

[1] See Appendix, p. 226.

these data. In addition, the Office of Management and Budget has an interagency committee now reexamining census poverty concepts in the light of the uses made of these data, and the measurement problems involved.

Mr. Chairman, the letter of invitation to these hearings indicated your interest in the food-for-peace program. We're continuing to use the food-for-peace program to meet humanitarian needs of friendly nations, as well as develop export markets for U.S. farm products. This program is authorized by Public Law 480, which would be extended from 1973 to 1978 by the farm bill recently reported out by the Senate Committee on Agriculture and Forestry.

Since its enactment in 1954, Public Law 480 has been responsible for agricultural product exports valued at more than $20 billion in concessional sales and donations. Currently, it is operating at an export level of about $1 billion a year, well below the peaks obtained in the mid-1960's. About three-fourths of annual exports are sold for long-term credit, and the rest is donated to other governments, to voluntary relief agencies abroad, or to the multinational world food program.

Under the law, domestic needs, adequate carryover, and anticipated exports for dollars must have priority ahead of Public Law 480 availability. However, even in an unusual export year such as this, we have been able to make reasonable quantities of wheat, rice, feed grains, blended foods, and several other commodities available for food-for-peace sales and donations.

We expect to continue to do so next year.

Food-for-Peace Programs

Senator Kennedy. Very good.

Just a few questions on the food-for-peace program. I don't think anyone can quarrel with the importance of meeting our domestic needs in relationship to priority. But one of the, I think, rather significant developments that we've seen in recent times is the growth in the imbalance reflected in the budget requests under Public Law 480 between Title I and Title II [1]; Title I going up and Title II going down.

Can you comment on that? Please give us what the reason for that is.

Mr. Yeutter. Certainly. I'd like to refer this one to Mr. Meade, who handles the Export Marketing Service, which has that program under its jurisdiction.

Mr. Meade. Senator Kennedy, you're quite correct that in fiscal year 1974, the proportion of Public Law 480 should increase for Title I, and decrease in Title II. I think one factor responsible for an overall Public Law 480 decrease is the so-called green revolution. There was some very definite progress being made in many of the underdeveloped countries of the world in developing their food supply production programs.

That "green revolution" has had some setback, as you know, in the last 2 years, and demand for food under this program has been quite strong, and still is.

---

[1] See Appendix, pp. 231–292.

Another factor, is the fact that many of these countries that are in developing status now are in better position to take these exports under Title I, under concessional sales rather than grants.

Senator KENNEDY. Well now, certainly not Bangladesh.

Mr. MEADE. We are, of course, supplying Bangladesh this year with a rather substantial quantity of food under Title II.

Senator KENNEDY. Give me some examples of countries that can afford it under Title I, that you're providing substantial food products.

Mr. MEADE. Well, for instance, India was taking a lot of Title II, and by their own volition, asked that they buy—in fact, they've been buying this year for strictly cash, and not even taking Title I. Now, they're still receiving some Title II in India.

But we can give you specific examples of countries for the record.[1]

Senator KENNEDY. Well, there is, as you well understand and know, there are enormous kinds of food shortages in that area now. We've seen in recent times, the whole critical famine situation that exists in West Africa, which has grown and the Bangladesh situation. There are broad areas in India as well with very serious problems, and we've seen the growth, as we say, the Title I, which is the compensation for these various food programs and a reduction in Title II, which is the donation of the programs.

It just appears to me that what we're seeing is the economics of really dictating this particular aspect of the agricultural policy. We're willing to sell the food grains to the Soviet Union for umpteens of millions of dollars—subsidized by the taxpayers—with all of its implications and ramifications in the areas of meat and poultry and all of the aspects of agriculture that are impacted by increased food grain cost.

We're willing to do that for money. But in other areas, where we have some of the most extraordinary food deficiency, we see a reduction in the U.S. commitment to alleviate or relieve the problems of hunger and malnutrition. This is a development of recent times, and I find it really quite distressing.

I don't know what your opinion is or if you have any reaction to it. As I say, it's a general comment on my part. But it seems as though all these decisions again are just being made primarily because of the economic implications and financial considerations, rather than the humanitarian questions. I think we're really behind the development of the whole Food Distribution Program.

FULFILLS HUMANITARIAN NEEDS WORLDWIDE

Mr. MEADE. Well, we certainly would agree, Senator Kennedy, that there's been tremendous progress made under Public Law 480 in fulfilling humanitarian food needs in many areas of the world. And I certainly am pleased to see the developments of CSSM, WSB, and some of these highly nutritious foods that are being distributed under these programs. They're doing a great deal of good in areas like Bangladesh.

---

[1] See Appendix, p. 226.

Senator KENNEDY. I understand the AID request was $301 million for commodities plus ocean freight costs and the Department of Agriculture request was only for $80 million plus freight costs. That's the fiscal year 1974 request.

Are those accurate figures?

Mr. MEADE. Yes. Well, as you know, the figure that is estimated now under Title II for fiscal 1974 is $198 million. I recognize the matter to which you're referring. The fact is that we should consider the proposition that the food aid programs should be budgeted to AID, particularly in a situation as we find ourselves now with the Public Law 480, specifically stating that commercial exports, domestic needs, and adequate carryover must be satisfied as priorities before Public Law 480 shipments are taken into account.

Senator KENNEDY. Well that's, as I mentioned earlier, recognized. But, in and above that, we've seen the voluntary church agencies—which have done so much to help alleviate suffering and malnutrition in countries throughout the world—requesting what they felt to meet their responsibilities to the hungry. That figure, instead of the $198 million, ought to be raised to $300 million—there was a great need for that in parts, other places around the world.

They even sent a telegram to the President. And, as I understand, there hasn't been any reaction to this requested increase from Agriculture today. Or has there, do you know?

Mr. MEADE. No, sir.

Senator KENNEDY. Are you familiar with the request?

Mr. MEADE. No, sir, I'm not familiar with that.

Senator KENNEDY. Well, could you talk with the staff people here and get some kind of reaction on that?

Mr. MEADE. Yes, sir, I'd be glad to.

Senator KENNEDY. I want to thank you gentlemen very much for coming, you were very helpful.

Mr. YEUTTER. Thank you.

Senator KENNEDY. The committee is in recess, to reconvene at the call of the Chair.

[Whereupon, at 12:14 p.m., the Select Committee was recessed.]

APPENDIX

ITEM 1—SUBMITTED BY WITNESSES

FROM THE U.S. DEPARTMENT OF AGRICULTURE

USDA Statistics—Programs Remarkably Free of Fraud

From July 1, 1972 through March 30, 1973, there were twelve instances of embezzlement by State and local employees. The Office of Inspector General is investigating each case. Six of these cases have been completed, resulting in three prosecutions and convictions and with the U.S. Attorney declining to prosecute the other three. The total dollar loss to the program involved in the six completed investigations was $28,376.

During the same period, there were four instances of OIG investigations into coupon trafficking, involving $26,000 in program losses. There was a prosecution and conviction in one case, two cases still are under investigation and one is pending with the U.S. Attorney.

There were 24 instances of coupon theft losses resulting from burglaries and armed robberies during the first nine months of fiscal year 1973. The losses totalled $418,771 out of a total of $2.89 billion coupons issued during that period, making the loss equivalent to .0145 percent of the total volume of coupons issued. This is equivalent to just about 14 cents stolen from each $1,000 of coupons issued.

During the same period, 400 retailers were disqualified. Also based on the findings of violations, the courts sentenced 115 retailers or their employees for criminal violations of the Act. These sentences have included fines ranging up to $10,000, probation periods and confinements of periods up to two years. As the figures show, only a small percentage of the 180,000 firms who are authorized have been found to be violating the Food Stamp Program.

Additionally, there were 8,250 claims established against recipients, for fraudulently receiving food stamps. These claims amounted to $1,784,427 of which $694,714 has so far been collected.

The percentage of bonus coupons issued through fraudulent activity in relation to total bonus coupons issued during the first three quarters of fiscal year 1973 is 11 hundredths of one percent.

For the same period, the percent of these losses in terms of total coupons issued is 6 hundredths of one percent.

In the first three quarters of fiscal year 1973, the percentage of fraudulently participating households, as related to total participating households, equalled 24 thousandths of one percent.

UNITED STATES DEPARTMENT OF AGRICULTURE

Food Assistance Programs-Fiscal Years 1969-1974
(Program Level-Dollars in Thousands)

Program	1969 Actual	1970 Actual	1971 Actual	1972 Actual	1973 Current Estimate	1974 Current Estimate	1973 Estimate Compared with 1974 Estimate
A. CHILD NUTRITION PROGRAMS:							
1. Cash Grants to States:							
(a) School Lunch (Sec. 4):							
Child Nutrition Programs	$161,151	$168,023	$225,761	$ 224,403	$ 225,747	$ 348,000	+$ 122,253
Special Feeding Program (Sec. 32)	---	---	---	28,182	114,253	---	- 114,253
Subtotal	161,151	168,023	225,761	252,585	340,000	348,000	+ 8,000
(b) Free and Reduced Price Lunches:							
Child Nutrition Programs	9,982	44,607	203,686	236,823	246,002	237,040	- 8,962
Special Feeding Program (Sec. 32)	32,039	87,411	105,560	265,200	373,998a/	425,960	+ 51,962
Subtotal	42,021	132,018	309,246	502,023	620,000	663,000	+ 43,000
(c) School Breakfast:							
Child Nutrition Programs	3,483	9,715	11,448	24,311	19,935	60,000	+ 40,065
Special Feeding Program (Sec. 32)	2,057	1,155	8,714	2,230	32,415	---	- 32,415
Subtotal	5,540	10,870	20,162	26,541	52,350	60,000	+ 7,650
(d) Nonfood Assistance:							
Child Nutrition Programs	717	10,000	15,716	15,897	15,000	16,110	+ 1,110
Special Feeding Program (Sec. 32)	9,513	6,673	21,443	1,900	1,110	---	- 1,110
Subtotal	10,230	16,673	37,159	17,797	16,110	16,110	---
(e) State Administrative Expenses:							
Child Nutrition Programs	148	465	1,590	1,483	1,500	1,500	---
Special Feeding Program (Sec. 32)	391	1,254	1,903	1,767	2,000	2,000	---
Subtotal	539	1,719	3,493	3,250	3,500	3,500	---
(f) Nonschool Food Program:							
Child Nutrition Programs	3,244	7,258	20,338	31,358	20,775	20,000	- 775
Special Feeding Program (Sec. 32)	---	---	629	11,225	53,225	60,600	+ 7,375
Subtotal	3,244	7,258	20,967	42,583	74,000	80,600	+ 6,600
Total, Cash Grants to States	222,725	336,561	616,788	844,779	1,105,960	1,171,210	+ 65,250
2. Commodities to States:							
(a) Section 6	63,839	63,994	63,967	63,340	64,325	64,325	---
(b) Section 32	121,202	140,750	110,711	109,417	86,520	92,575	+ 6,055
(c) Section 416	107,066	71,475	87,112	111,271	156,800	156,800	---
Total, Commodities	292,107	276,219	261,790	284,028	307,645	313,700	+ 6,055
3. Nutritional Training and Surveys	---	---	750	605	1,000	1,000	---
4. Federal Operating Expenses	2,510	3,579	4,880	6,119	6,940	7,325	+ 385
Total, Child Nutrition Programs	517,342	616,359	884,208	1,135,531	1,421,545	1,493,235	+ 71,690

a/ Includes supplemental of $31,960

Program	1969 Actual	1970 Actual	1971 Actual	1972 Actual	1973 Current Estimate	1974 Budget Estimate	1973 Estimate Compared with 1974 Estimate
B. SPECIAL MILK PROGRAM:							
1. Cash Payments	$ 101,890	$ 101,527	$ 92,640	$ 95,027	$ 96,374	$ 24,351	-$72,023
2. Operating Expenses	620	597	654	701	741	649	- 92
Total, Special Milk Program	102,510	102,124	93,294	95,728	97,115	25,000	- 72,115
C. FOOD STAMP PROGRAM:							
1. Program Costs	240,066	564,703	1,559,187	1,895,966	2,169,997	2,171,560	+ 1,563
2. Operating Expenses	10,321	13,336	17,831	20,867	23,335	24,190	+ 855
Total, Food Stamp Program	250,385	578,043	1,576,938	1,916,831	2,193,332	2,195,750	+ 2,418
D. DIRECT DISTRIBUTION TO FAMILIES:							
1. Section 32 Commodities	190,782	173,180	167,345	147,141	138,979	132,695	- 6,284
2. Section 416 Commodities	79,278	74,278	118,403	124,717	108,300	93,122	- 15,178
3. Financial Assistance to States (Sec. 32)	4,154	5,801	13,612	17,659	16,700	14,000	- 2,700
4. Nutrition Supplement (Special Packages):							
(a) Special Feeding Program (Spec. Sec. 32)	12	323	1,210	1,503	1,405	20,000	+ 18,595
(b) Section 32 Commodities	8,055	13,345	13,825	12,659	14,731	---	- 14,731
Total, Nutrition Supplement	8,067	13,668	15,035	14,162	16,136	20,000	+ 3,864
Total, Direct Distribution to Families	281,781	266,923	314,395	303,679	280,115	259,817	- 20,298
E. DIRECT DISTRIBUTION TO INSTITUTIONS:							
1. Section 32 Commodities	11,747	9,577	4,290	1,453	1,597	1,597	---
2. Section 416 Commodities	20,358	11,781	15,670	15,681	24,700	24,700	---
Total, Direct Dist. to Institutions	32,105	21,358	19,960	17,132	26,297	26,297	---
F. SECTION 32 OPERATING EXPENSES:							
1. Food and Nutrition Service	---	4,163	3,967	4,123	4,500	4,500	---
2. Agricultural Marketing Service	5,544	2,169	2,263	2,555	2,584	2,600	+ 16
Total, Section 32 Operating Expenses	5,544	6,332	6,230	6,678	7,084	7,100	+ 16
G. NUTRITION EDUCATION (Extension Service including Administrative Expenses)	9,948	29,876	49,516	49,424	49,560a/	48,360	- 1,200
TOTAL, FOOD ASSISTANCE	1,199,615	1,621,015	2,944,541	3,525,003	4,075,048	4,055,559	- 19,489
RECAPITULATION:							
Direct Appropriation (Including transfers authorized in annual appropriation acts)	807,917	997,684	2,267,884	2,466,322	2,941,231	3,024,410	+ 83,179
Special Feeding Program (Section 32)	45,000	127,816	150,459	320,935	589,406b/	508,560	- 80,846
Section 32 (Commodities and related expenses)	339,996	337,985	305,013	286,077	254,611	247,967	- 6,644
Section 416 Commodities	206,702	157,530	221,185	251,669	289,800	274,622	- 15,178
TOTAL	1,199,615	1,621,015	2,944,541	3,525,003	4,075,048	4,055,559	- 19,489

a/ In addition, $2 million in reserve to make BA of $51,560.

b/ Includes supplemental of $21,960.

FNS:BFD:3/1/73

Food and Nutrition Service Assists in Out-Reach Programs

FNS works closely with State agencies in providing the necessary support and assistance in the development and implementation of the out-reach programs. Our support has been intensified in the areas of developing and distributing literature categorized as outreach. FNS makes available to interested State and local agencies, and others, some 23 categories of printed material in bulk and without cost. These include: Brochures, flip charts, fact sheets, posters and car cards—some in other languages such as Spanish, Chinese, Japanese and Yiddish. Also available are radio and television public service announcements.

A food stamp slide series is now in the final stages of development and will also be made available to the State agencies. In addition, we prepare a bimonthly report for distribution to State agencies which outlines what others are doing in food stamp outreach activities.

Food Assistance Under Title II Program

In recent years a number of countries have experienced excellent economic growth rates. Therefore, it has been possible to remove some countries from the list of those receiving Title II assistance. Some examples of such countries are: Iran, Poland, Portugal, Singapore, and Taiwan.

There are also many countries achieving very good rates of economic growth. A number of these countries who receive shipments under Title II are currently being phased down. Some examples of such countries are: Brazil, Kenya, Korea, Lebanon, Thailand and Venezuela. By constantly reevaluating and deleting those countries who no longer require Title II assistance, we can better help the countries who have not yet been able to achieve sustained, substantial economic growth.

ITEM 2—PERTINENT TO THE HEARING

FROM SENATOR BELLMON

PARTICIPATION IN MAJOR USDA FOOD ASSISTANCE PROGRAMS

	(Millions of participants)		Percent change
	May 1969	April 1973 [1]	
Family food assistance:			
Participants:			
Food stamps	3.2	12.5	+290
Food distribution (needy families)	3.7	2.6	−30
Total	6.9	15.1	+119
Child nutrition programs:			
School lunch participation	21.5	24.7	+15
Number of needy children receiving free or reduced price lunch	3.8	8.8	+132
Number of children receiving school breakfasts	.4	1.3	+225

[1] Preliminary.

U.S. DEPARTMENT OF AGRICULTURE, FOOD AND NUTRITION SERVICE: FUNDING LEVELS FOR FOOD ASSISTANCE PROGRAMS, FISCAL YEARS 1968-73

Program	1968 actual	1969 actual	1970 actual	1971 actual	1972 actual	1973 in 1974 budget
A. Child nutrition programs:						
1. Cash grants to States:						
(a) School lunch (sec. 4)	$154,732	$161,151	$168,023	$225,761	$252,585	$340,000
(b) Free and reduced price lunches	4,878	42,021	132,018	309,246	502,023	[1] 620,000
(c) School breakfast	2,000	5,540	10,870	20,162	26,541	52,350
(d) Nonfood assistance	736	10,230	16,673	37,159	17,797	16,110
(e) State administrative expenses		539	1,719	3,493	3,250	3,500
(f) Nonschool food program		3,244	7,258	20,967	42,583	74,000
Total, cash grants to States	162,346	222,725	336,561	616,788	844,779	1,105,960
2. Commodities to States	234,125	292,107	276,219	261,790	284,028	[2] 307,645
3. Nutritional training and surveys				750	605	1,000
4. Federal operating expenses	1,955	2,510	3,579	4,880	6,119	6,940
Total, child nutrition programs	398,426	517,342	616,359	884,208	1,135,531	1,421,545
B. Special milk program	102,494	102,510	102,124	93,294	95,728	97,115
C. Food stamp program	187,132	250,385	578,043	1,576,938	1,916,831	2,193,332
D. Direct distribution to families	182,718	281,781	266,923	314,395	303,679	280,115
E. Direct distribution to institutions	19,743	32,105	21,358	19,960	17,132	26,297
F. Sec. 32 operating expenses	3,186	5,544	6,332	6,230	6,678	7,084
G. Nutrition education (extension service including administrative expenses)		9,948	29,876	49,516	49,424	49,560
Total, food assistance	893,699	1,199,615	1,621,015	2,944,541	3,525,003	4,075,048

[1] Includes supplemental of $21,960.
[2] Includes $70,800,000 to be distributed in lieu of commodities.

FROM SAUNDRA GRAHAM

CITY OF CAMBRIDGE, MASS.
CITY COUNCIL,
May 7, 1973.

DEAR FORUM MEMBER, You probably don't know what it's really like to be poor today and you probably don't know any poor people you can ask. Well, I'm an expert on the subject. So let me tell you what it's like to be poor.

It's a matter of survival. You've got to have food to survive. I've got a $6500 income and I have five children and myself to feed. With meat prices the way they are now, we've had to really re-arrange our diet. We've actually gone back to the days of the depression. My diet has completely changed. I have not bought any sweets at all for the kids, and I've gone back to baking in the old style—flour right from the beginning, making our own bread. When the kids snack, they snack on celery, on carrot sticks, on apples, oranges and lots of other fruit. We have a very heavy diet of cheese and we eat an awful lot of grapes. I've gone back to hot cereals in the mornings because they give me more for my money. I've stopped the kids from drinking a lot of milk because my milk bill has risen. We buy little 25c cans of lemonade to offset this.

Meat? I haven't eaten meat for about 3 or 4 weeks. I mean I've been on a meat strike. My kids will tell you. And we don't have meat in our freezer because I don't have a freezer. And there's none in the refrigerator either. Cheese has gone up to $1.09 a pound and fish is going way up too because the price of meat is so high. Nixon froze the price of steak at $2.29 a pound after he made sure that the middle man would get his. The poor people who are asked to boycott are the ones who suffer because they haven't got any meat stored up. Most of the people who started the boycott have meat in their freezers, I'll bet.

We don't get food stamps in Cambridge. Instead, we have to rely on surplus foods. Nixon says eat cheese, and we used to get surplus cheese, but now it's not on the surplus list. We get butter, powdered milk, powdered potatoes, canned milk, macaroni, vegetable oil, shortening, and maybe dried prunes or dried raisins. We used to get juice all the time but not anymore. They've not only raised the prices on meats and other things, they've also cut the surplus foods so it's really hard to make a dinner. Without meat, you've got to stop and think about what you're going to have—without making the kids tired of one thing all the time. Like egg souffles, tuna casseroles and salmon and rice. That kind of diet. And I make jello with fruit cocktail or peaches in it, or I give them bananas and milk to fill them up. I find that I'm spending more time in the kitchen planning and preparing meals, and this is hard because I have my job on the City Council to look after. It's altered my whole life and made it tougher.

Food co-ops help. There we can buy an apple for 3c or a pound of grapes for 15c. In Boston, a co-op has started where the people work for nothing. They bring in big bushels of everything and you can come in and pick up your orders there—actually pick the food out. It's been catching on like crazy. That, and eating nature food, is one of the best ways of approaching the problem, I find.

Along with the cost of food, high rent is another factor that makes survival hard. I live in public housing and I finally had to just go and tell them that I couldn't afford to pay the kind of rent they charged and feed the children too. And then there is the price of clothing, which has gone sky-high. Most of the time my kids stay in sneekers. They have one good pair of shoes in case they have to go somewhere. Because I sew, I only have to buy dungarees and polo shirts for my boys. For my girls, I do all their things by sewing and that helps me a lot in my budget. I think we have gone back to the days where you really have to be handy with your hands.

Most of my neighbors have the same problems I do. Few make over $8000 a year and they can't see why people have to have 50,000 dollar salaries to live on. At the same time, a lot of low income people are satisfied with the money they're living on, as long as prices don't go up. They save because their way of life doesn't cost very much—they don't do expensive things.

Most of us have telephone bills of maybe ten or twelve dollars a month because we don't make long distance calls except maybe in an emergency. We know we can't afford to, so we don't do it. Yet we're the first ones to have our telephones shut off if we don't pay right on time. And we're the first ones that have to put a down payment or deposit on both gas and electric. In the richer neighborhoods they've never heard of a deposit. If I owe $35 on my phone bill they will shut off my service. Yet I know that other people have 70, 80, 90 dollars owing on their phone service and it keeps right on going.

And if you mention welfare, you automatically get placed in a category where everything's on a cash and carry basis. And here's the killer. On check day, (when welfare checks come out) food prices automatically go up. The price of peas, for example, can go from 2 cans for 23¢ to 2 for 39¢. And people who are on a fixed income, like social security, and who get their checks on the first and fifteenth of each month have the exact same problem.

If Nixon is going to talk about changing the welfare system, he'd better also talk about providing meaningful jobs and at a level where it is economically feasible for people to go out and work. He is talking about mothers going to work and at the same time not providing for any kind of child care. People have no motivation because the welfare system is designed so that it keeps them on welfare.

First of all, when you have to pay a baby sitter, that's $25 a week for one child. If you have five, like I have, forget about it, because that is your whole pay check. Then, you have a hard time getting into any kind of training program to get the skills and to go out there and compete with other people who have degrees or even just a high school education.

When you do get a job, instead of helping you over the hump they cut everything. I am now in the working class poor, but in many ways, I would be better off on welfare. I have no medical care now for my children, no dental care, no help of any kind of the sort I got when I was on welfare. My income has gone from $4500 on welfare to $6500 as a City Councilor, but my rent has doubled, so where have I advantaged myself? But I feel this way. I'm highly motivated and am out here competing with other people, even living at a very low income. I'm really struggling but I would rather struggle than go back to that kind of system because it doesn't give a person any initiative.

Being poor affects the quality of education your kids receive. It may come as a surprise for you to hear that the quality of education in Cambridge, a university-oriented city, is poor. We have been fighting for the last five years to change it. The present superintendent is a black man—also a professional—who is trying to cut through the bureaucracy to put in education relative to children who are going to grow up and go to work. The way it is now just doesn't make sense.

To take an example, my daughter is an honor roll student at Martin Luther King elementary school. She took the SSAT tests to try and get into a Cambridge private school and found she scored at the bottom of the list. She said there were just things on the tests she had never heard of. And that is a good measure of how your child is educated in the public schools as compared to the kind of education that is received in the private schools. There's no comparison. In the public schools, they mainly teach discipline. "Oh your child doesn't behave", they say, "he won't sit and fold his hands for five damn hours." And "We have to teach him discipline and manners before we can teach him anything else." Well, I can do that at home, and if you have a discipline problem with my child you can come to me.

Black children and low-income children are plain being lost in the system. There are no guidance counselors for them, at least not people who are sensitive to their economic and cultural background. When you have financial problems, this is reflected in your children. And if a man and wife are arguing constantly, it will have an effect on children and their ability to do school work. They don't look on the child as a total being. They only take him from 8:00 to 2:30 and the devil take the aftermath. We're trying to turn our entire system around to deal with the child as a complete child, and this means dealing with the parents of the children if they have problems in getting some kinds of services—I mean financial, legal, counseling—any kind of referral service needed to make their lives more meaningful.

The quality of education has dropped tremendously. This is true mainly in history (geography is no problem), spelling and reading. My child, a fourth grader, is very good in his school work, but he simply does not read at the level on which a private school child reads. He's been advanced to the fourth grade, but he reads third grade. Besides, they don't check on the spelling. He can write anything on his paper as long as it resembles the proper word. And this doesn't show up as a problem until they get in high school. Education in the lower grades is more important because they need it as a foundation to build upon. We have children who graduated from Houghton King School who when they got into high school could not even read or write. How they got through the schools I'll never know.

In history classes they are talking about Marco Polo and Columbus just as they were when I was in school. My children want to know what black people have done. I have to sit down with them and tell them what is happening in the world today. The schools are not relating to the real world. They are not dealing with racism, nor with the capitalistic system. Kids are being placed in roles, but the main thrust of education shouldn't be just to train them for jobs. Children are not educated, they are manipulated into different areas. They don't get a chance to explore different kinds of lifestyles or to experience the reality of the outside world.

Cambridge has the highest rate of drop-outs and the lowest rate of kids going on to college. And when kids drop out, many of them get hooked on drugs. They can't get jobs and they end up hanging out in the streets. They rip things off and end up in the courts. Then what do the courts do but send them off to jail. And they lock their minds up. We try to keep these kids out of jail. We go to the judge and say, "Look, this kid needs to be in school, he doesn't need to be locked up in jail. Give him another chance." And then we put him back in the same crazy school system that drove him out and into the streets in the first place and we wonder why we have such a hard time with our teen-agers. And Nixon's planning to cut out the youth employment program across the country. If he thniks it's bad now, he's got hell on his hands this coming summer.

As a Council woman I have many strikes against me. I'm one person, a radical, a woman, on top of being black plus coming from a welfare situation. Even my own black people think I'm crazy because I broke up the Harvard Commencement trying to keep the university from taking away needed city land. But now I find I have more supporters than I ever had before among all groups in Cambridge. And I've been successful in getting my fellow Councilors to see that there is another side to the story, which is quite a lot, because they don't ordinarily see any low-income people.

Poor people come to me with their personal problems because I came out of the neighborhood, and I tell them to call another Councilman, not to limit themselves to me. So a mother will call my colleague who is a big corporation lawyer to tell him about the police harassing her son, and he just sits there with his mouth open because he has no contact with this kind of thing. Now I find he's more progressive, more open-minded, more sympathetic to my cause than anyone else on the Council. Next year I will be more successful because this year I've really been getting an education in politics. I want to get in a position where I can carry five votes for what the people need, and I'm not just talking low-income—I'm talking about the working class poor and the rich people too.

We pay good money to get the services we're supposed to have—good street lighting, garbage picked up on a certain day, good hospitalization, good community health centers and good education. Maybe it will all be a long time coming, but we're now beginning to work at it. When people begin to see that I'm not radical, I'm only asking for what we actually deserve, maybe then they'll begin to stand up. People are afraid of change because they don't know where change will lead them. They are frightened of me and everyone who says reform. They're frightened of the word radical. And yet they use the radical in arithmetic. It's just an equation to get at the root of the thing. And that is what I am all about.

Sincerely,

SAUNDRA GRAHAM, *Councillor.*

AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954 AND AMENDMENTS

CONTENTS

	Page
Public Law No. 480, 83d Congress, approved July 10, 1954. To increase the consumption of United States agricultural commodities in foreign countries, to improve the foreign relations of the United States	1
Public Law No. 665, 83d Congress (extract) approved Aug. 26, 1954. To promote the security and foreign policy of the United States by furnishing assistance to friendly nations	7
Public Law No. 690, 83d Congress (extract) approved Aug. 28, 1954. To provide for the greater stability in agriculture; to augment the marketing and disposal of agricultural products	8
Public Law No. 25, 84th Congress, approved Apr. 25, 1955. To amend section 102(a) of the Agricultural Trade Development and Assistance Act of 1954, so as to eliminate the requirement that privately owned stocks exported thereunder be replaced from Commodity Credit Corporations stocks	9
Public Law No. 387, 84th Congress, approved Aug. 12, 1955. To reemphasize trade development as the primary purpose of title I of the Agricultural Trade Development and Assistance Act of 1954	10
Public Law No. 540, 84th Congress (extract), approved May 28, 1956. Agricultural Act of 1956	11
Public Law No. 962, 84th Congress, approved Aug. 3, 1956. To amend the Agricultural Trade Development and Assistance Act of 1954, as amended, so as to increase the amount authorized to be appropriated for purposes of title I of the act	12
Public Law No. 128, 85th Congress, approved Aug. 13, 1957. To extend the Agricultural Trade Development and Assistance Act of 1954	13
Public Law No. 141, 85th Congress (extract), approved Aug. 14, 1957. To amend further the Mutual Security Act of 1954, as amended	14
Public Law No. 477, 85th Congress (extract), approved June 30, 1958. To amend further the Mutual Security Act of 1954, as amended	15
Public Law No. 931, 85th Congress, approved Sept. 6, 1958. To extend and amend the Agricultural Trade Development and Assistance Act of 1954	16
Public Law No. 341, 86th Congress, approved Sept. 21, 1959. To extend the Agricultural Trade Development and Assistance Act of 1954	19
Public Law No. 108 (Extract) 86th Cong., approved July 24, 1959. To further amend the Mutual Security Act of 1954	24
Public Law No. 472 (Extract) 86th Cong., approved May 14, 1960. To further amend the Mutual Security Act of 1954	25
Public Law No. 28, 87th Cong., approved May 4, 1961. To amend title I of the Agricultural Trade and Development and Assistance Act of 1954	26
Public Law No. 92, 87th Cong., approved July 20, 1961. To continue the authority of the President under title II of the Agricultural Trade and Development and Assistance Act of 1954, as amended, to utilize surplus agricultural commodities to assist needy peoples and to promote economic development in underdeveloped areas of the world	27
Public Law No. 128 (Extract) 87th Cong., approved Aug. 8, 1961. To amend title II sec. 201 of the Agricultural Act of 1961	27
Public Law No. 195 (Extract) 87th Cong., approved Sept. 4, 1961. To promote the foreign policy, security, and general welfare of the United States, by assisting peoples of the world in their efforts toward economic development and internal and external security	29
Public Law No. 703 (Extract) 87th Cong., approved Sept. 27, 1962. To amend title II sec. 201 of the Food and Agriculture Act of 1962	29

CONTENTS

	Page
Public Law No. 205 (extract) 88th Congress, approved December 16, 1963. To amend further the Foreign Assistance Act of 1961, as amended	31
Public Law No. 550, 88th Congress, approved August 31, 1964. To amend the Act of August 19, 1958, to permit purchase of processed food grain products in addition to purchase of flour and cornmeal and donating the same for certain domestic and foreign purposes	32
Public Law No. 638, 88th Congress, approved October 8, 1964. To extend the Agricultural Trade Development and Assistance Act of 1954	33
Public Law No. 106 (extract), 89th Congress, approved August 4, 1965. To facilitate the work of the Department of Agriculture	38
Public Law No. 171 (extract), 89th Congress, approved September 6, 1965. To amend further the Foreign Assistance Act of 1961, as amended, relating to the Agricultural Trade Development and Assistance Act of 1954	39
Public Law No. 583 (extract), 89th Congress, approved September 19, 1966. Foreign Assistance Act of 1966	40
Public Law No. 808, 89th Congress, approved November 11, 1966. To promote international trade in agricultural commodities, to combat hunger and malnutrition. Food for Peace Act of 1966	41
Public Law No. 436, 90th Congress, approved July 29, 1968. To extend the Trade Development and Assistance Act of 1954, as amended	55
Public Law No. 175 (Extract) 91st Congress, approved December 30, 1969. To amend part III of the Foreign Assistance Act of 1969	58
Public Law No. 524 (Extract) 91st Congress, approved November 30, 1970. To establish improved programs for the benefit of producers and consumers of dairy products, wool, wheat, feed grains, cotton, and other commodities, to extend the Agricultural Trade Development and Assistance Act of 1954	60

Public Law 480 - 83d Congress
Chapter 469 - 2d Session
S. 2475

AN ACT

To increase the consumption of United States agricultural commodities in foreign countries, to improve the foreign relations of the United States, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Agricultural Trade Development and Assistance Act of 1954". Agricultural Trade Development and Assistance Act of 1954.

SEC. 2. It is hereby declared to be the policy of Congress to expand international trade among the United States and friendly nations, to facilitate the convertibility of currency, to promote the economic stability of American agriculture and the national welfare, to make maximum efficient use of surplus agricultural commodities in furtherance of the foreign policy of the United States, and to stimulate and facilitate the expansion of foreign trade in agricultural commodities produced in the United States by providing a means whereby surplus agricultural commodities in excess of the usual marketings of such commodities may be sold through private trade channels, and foreign currencies accepted in payment therefor. It is further the policy to use foreign currencies which accrue to the United States under this Act to expand international trade, to encourage economic development, to purchase strategic materials, to pay United States obligations abroad, to promote collective strength, and to foster in other ways the foreign policy of the United States. 68 Stat. 454, 68 Stat. 455.

TITLE I—SALES FOR FOREIGN CURRENCY

SEC. 101. In furtherance of this policy, the President is authorized to negotiate and carry out agreements with friendly nations or organizations of friendly nations to provide for the sale of surplus agricultural commodities for foreign currencies. In negotiating such agreements the President shall— Sale of surplus commodities. Agreements.

(a) take reasonable precautions to safeguard usual marketings of the United States and to assure that sales under this Act will not unduly disrupt world prices of agricultural commodities; U. S. marketings.

(b) take appropriate steps to assure that private trade channels are used to the maximum extent practicable both with respect to sales from privately owned stocks and from stocks owned by the Commodity Credit Corporation; Private trade.

(c) give special consideration to utilizing the authority and funds provided by this Act, in order to develop and expand continuous market demand abroad for agricultural commodities, with appropriate emphasis on underdeveloped and new market areas; New market areas, etc.

(d) seek and secure commitments from participating countries that will prevent resale or transshipment to other countries, or use for other than domestic purposes, of surplus agricultural commodities purchased under this Act, without specific approval of the President; and Resale prevention, etc.

(e) afford any friendly nation the maximum opportunity to purchase surplus agricultural commodities from the United States, taking into consideration the opportunities to achieve the declared policy of this Act and to make effective use of the foreign currencies received to carry out the purposes of this Act. Purchase opportunity.

SEC. 102. (a) For the purpose of carrying out agreements concluded by the President hereunder, the Commodity Credit Corporation, in accordance with regulations issued by the President pursuant to subsection (b) of this section, (1) shall make available for sale hereunder CCC surplus commodities. Availability.

at such points in the United States as the President may direct surplus agricultural commodities heretofore or hereafter acquired by the Corporation in the administration of its price support operations, and (2) shall make funds available to finance the sale and exportation of surplus agricultural commodities from stocks owned by the Corporation or pledged or mortgaged as security for price support loans or from stocks privately owned if the Corporation is not in a position to supply the commodity from its owned stocks: *Provided*, That to facilitate the use of private trade channels the Corporation, even though it is in a position to supply the commodity, may finance the sale and exportation of privately owned stocks if the Corporation's stocks are reduced through arrangements whereby the private exporter acquires the same commodity of comparable value or quantity from the Commodity Credit Corporation. In supplying commodities to private exporters under such arrangements Commodity Credit Corporation shall not be subject to the sales price restriction in section 407 of the Agricultural Act of 1949, as amended.

Funds for export, etc.

Private exporters.

Post, p. 458.

(b) In order to facilitate and maximize the use of private channels of trade in carrying out agreements entered into pursuant to this Act, the President may, under such regulations and subject to such safeguards as he deems appropriate, provide for the issuance of letters of commitment against funds or guaranties of funds supplied by the Commodity Credit Corporation and for this purpose accounts may be established on the books of any department, agency, or establishment of the Government, or on terms and conditions approved by the Secretary of the Treasury in banking institutions in the United States. Such letters of commitment, when issued, shall constitute obligations of the United States and moneys due or to become due thereunder shall be assignable under the Assignment of Claims Act of 1940. Expenditures of funds which have been made available through accounts so established shall be accounted for on standard documentation required for expenditures of Government funds.

Letters of commitment.

68 Stat. 455.
68 Stat. 456.

54 Stat. 1029.
31 USC 203;
41 USC 15.

Appropriation, CCC payments.

SEC. 103. (a) For the purpose of making payment to the Commodity Credit Corporation to the extent the Commodity Credit Corporation is not reimbursed under section 105 for commodities disposed of and costs incurred under titles I and II of this Act, there are hereby authorized to be appropriated such sums as are equal to (1) the Corporation's investment in commodities made available for export under this title and title II of this Act, including processing, packaging, transportation, and handling costs, and (2) all costs incurred by the Corporation in making funds available to finance the exportation of surplus agricultural commodities pursuant to this title. Any funds or other assets available to the Commodity Credit Corporation may be used in advance of such appropriation or payments, for carrying out the purposes of this Act.

Limitation.

(b) Transactions shall not be carried out under this title which will call for appropriations to reimburse the Commodity Credit Corporation, pursuant to subsection (a) of this section, in amounts in excess of $700,000,000.

Use of foreign currencies.
66 Stat. 662.
31 USC 724.

SEC. 104. Notwithstanding section 1415 of the Supplemental Appropriation Act, 1953, or any other provision of law, the President may use or enter into agreements with friendly nations or organizations of nations to use the foreign currencies which accrue under this title for one or more of the following purposes:

(a) To help develop new markets for United States agricultural commodities on a mutually benefiting basis;

(b) To purchase or contract to purchase strategic and critical materials, within the applicable terms of the Strategic and Critical Materials Stockpile Act, for a supplemental United States

60 Stat. 596.
50 USC 98 note.

stockpile of such materials as the President may determine from time to time under contracts, including advance payment contracts, for supply extending over periods up to ten years. All strategic and critical materials acquired under authority of this title shall be placed in the above named supplemental stockpile and may be additional to the amounts acquired under authority of the Strategic and Critical Materials Stockpile Act. Materials so acquired shall be released from the supplemental stockpile only under the provisions of section 3 of the Strategic and Critical Materials Stockpile Act; 50 USC 98b.

(c) To procure military equipment, materials, facilities, and services for the common defense;

(d) For financing the purchase of goods or services for other friendly countries;

(e) For promoting balanced economic development and trade among nations; 68 Stat. 456.

(f) To pay United States obligations abroad; 68 Stat. 457.

(g) For loans to promote multilateral trade and economic development, made through established banking facilities of the friendly nation from which the foreign currency was obtained or in any other manner which the President may deem to be appropriate. Strategic materials, services, or foreign currencies may be accepted in payment of such loans;

(h) For the financing of international educational exchange activities under the programs authorized by section 32 (b) (2) of the Surplus Property Act of 1944, as amended (50 U. S. C. App. 1641 (b)). 58 Stat. 782.

Provided, however, That section 1415 of the Supplemental Appropriation Act, 1953, shall apply to all foreign currencies used for grants under subsections (d) and (e) and for payment of United States obligations involving grants under subsection (f) and to not less than 10 per centum of the foreign currencies which accrue under this title: *Provided, however*, That the President is authorized to waive such applicability of section 1415 in any case where he determines that it would be inappropriate or inconsistent with the purposes of this title. 31 USC 724. Waiver.

SEC. 105. Foreign currencies received pursuant to this title shall be deposited in a special account to the credit of the United States and shall be used only pursuant to section 104 of this title, and any department or agency of the government using any of such currencies for a purpose for which funds have been appropriated shall reimburse the Commodity Credit Corporation in an amount equivalent to the dollar value of the currencies used. Special account.

SEC. 106. As used in this Act, "surplus agricultural commodity" shall mean any agricultural commodity or product thereof, class, kind, type, or other specification thereof, produced in the United States, either privately or publicly owned, which is or may be reasonably expected to be in excess of domestic requirements, adequate carryover, and anticipated exports for dollars, as determined by the Secretary of Agriculture. "Surplus agricultural commodity".

SEC. 107. As used in this Act, "friendly nation" means any country other than (1) the U. S. S. R., or (2) any nation or area dominated or controlled by the foreign government or foreign organization controlling the world Communist movement. "Friendly nation."

SEC. 108. The President shall make a report to Congress with respect to the activities carried on under this Act at least once each six months and at such other times as may be appropriate and such reports shall include the dollar value, at the exchange rates in effect at the time of the sale, of the foreign currency for which commodities exported pursuant to section 102 (a) hereof are sold. Report to Congress.

Termination.

SEC. 109. No transactions shall be undertaken under authority of this title after June 30, 1957, except as required pursuant to agreements theretofore entered into pursuant to this title.

TITLE II—FAMINE RELIEF AND OTHER ASSISTANCE

Emergency relief.

SEC. 201. In order to enable the President to furnish emergency assistance on behalf of the people of the United States to friendly peoples in meeting famine or other urgent relief requirements, the Commodity Credit Corporation shall make available to the President out of its stocks such surplus agricultural commodities (as defined in section 106 of title I) f. o. b. vessels in United States ports, as he may request, for transfer (1) to any nation friendly to the United States in order to meet famine or other urgent relief requirements of such nation, and (2) to friendly but needy populations without regard to the friendliness of their government.

63 Stat. 457.
68 Stat. 458.

SEC. 202. The President may authorize the transfer on a grant basis of surplus agricultural commodities from Commodity Credit Corporation stocks to assist programs undertaken with friendly governments or through voluntary relief agencies: *Provided*, That the President shall take reasonable precaution that such transfers will not displace or interfere with sales which might otherwise be made.

Limitation.

SEC. 203. Not more than $300,000,000 (including the Corporation's investment in the commodities) shall be expended for all transfers, including delivery on board vessels in United States ports, under this title. The President may make such transfers through such agencies including intergovernmental organizations, in such manner, and upon such terms and conditions as he deems appropriate; he shall make use of the facilities of voluntary relief agencies to the extent practicable.

Termination.

SEC. 204. No programs of assistance shall be undertaken under the authority of this title after June 30, 1957.

TITLE III—GENERAL PROVISIONS

63 Stat. 1055.
7 USC 1427.
Sale of farm commodities.
U. S. relief.

SEC. 301. Section 407 of the Agricultural Act of 1949 is amended by adding at the end thereof the following: "Notwithstanding the foregoing, the Corporation, on such terms and conditions as the Secretary may deem in the public interest, shall make available any farm commodity or product thereof owned or controlled by it for use in relieving distress (1) in any area in the United States declared by the President to be an acute distress area because of unemployment or other economic cause if the President finds that such use will not displace or interfere with normal marketing of agricultural commodities and (2) in connection with any major disaster determined by the President to warrant assistance by the Federal Government under Public Law 875, Eighty-first Congress, as amended (42 U. S. C. 1855). Except on a reimbursable basis, the Corporation shall not bear any costs in connection with making such commodity available beyond the cost of the commodities to the Corporation in store and the handling and transportation costs in making delivery of the commodity to designated agencies at one or more central locations in each State."

64 Stat. 1109.
42 USC 1855–1855g.

7 USC 1431.

SEC. 302. Section 416 of the Agricultural Act of 1949 is amended to read as follows:

Perishable commodities.
Disposal.

"SEC. 416. In order to prevent the waste of commodities acquired through price-support operations by the Commodity Credit Corporation before they can be disposed of in normal domestic channels without impairment of the price-support program or sold abroad at

competitive world prices, the Commodity Credit Corporation is authorized, on such terms and under such regulations as the Secretary may deem in the public interest: (1) upon application, to make such commodities available to any Federal agency for use in making payment for commodities not produced in the United States; (2) to barter or exchange such commodities for strategic or other materials as authorized by law; (3) in the case of food commodities to donate such commodities to the Bureau of Indian Affairs and to such State, Federal, or private agency or agencies as may be designated by the proper State or Federal authority and approved by the Secretary, for use in the United States in nonprofit school-lunch programs, in the assistance of needy persons, and in charitable institutions, including hospitals, to the extent that needy persons are served; and (4) to donate any such food commodities in excess of anticipated disposition under (1), (2), and (3) above to nonprofit voluntary agencies registered with the Committee on Voluntary Foreign Aid of the Foreign Operations Administration or other appropriate department or agency of the Federal Government and intergovernmental organizations for use in the assistance of needy persons outside the United States. In the case of (3) and (4) above the Secretary shall obtain such assurance as he deems necessary that the recipients thereof will not diminish their normal expenditures for food by reason of such donation. In order to facilitate the appropriate disposal of such commodities, the Secretary may from time to time estimate and announce the quantity of such commodities which he anticipates will become available for distribution under (3) and (4) above. The Commodity Credit Corporation may pay, with respect to commodities disposed of under this section, reprocessing, packaging, transporting, handling, and other charges accruing up to the time of their delivery to a Federal agency or to the designated State or private agency, in the case of commodities made available for use within the United States, or their delivery free alongside ship or free on board export carrier at point of export, in the case of commodities made available for use outside the United States. For the purpose of this section the terms 'State' and 'United States' include the District of Columbia and any Territory or possession of the United States."

68 Stat. 458.
68 Stat. 459.

Reprocessing, etc., charges.

SEC. 303. Whenever the Secretary has reason to believe that, in addition to other authorized methods and means of disposing of agricultural commodities owned by the Commodity Credit Corporation, there may be opportunity to protect the funds and assets of the Commodity Credit Corporation by barter or exchange of such agricultural commodities for (a) strategic materials entailing less risk of loss through deterioration or substantially less storage charges, or (b) materials, goods or equipment required in connection with foreign economic and military aid and assistance programs, or (c) materials or equipment required in substantial quantities for offshore construction programs, he is hereby directed to use every practicable means, in cooperation with other Government agencies, to arrange and make, through private trade channels, such barters or exchanges or to utilize the authority conferred on him by section 4 (h) of the Commodity Credit Corporation Charter Act, as amended, to make such barters or exchanges. Agencies of the United States Government procuring such materials, goods or equipment are hereby directed to cooperate with the Secretary in the disposal of surplus agricultural commodities by means of barter or exchange. Strategic materials so acquired by the Commodity Credit Corporation shall be considered as assets of the Corporation and other agencies of the Government, in purchasing strategic materials, shall purchase such materials from Commodity Credit Corporation inventories to the extent available in fulfillment

Barter authority.

62 Stat. 1071, 15 USC 714b.

of their requirements. The Secretary is also directed to assist, through such means as are available to him, farmers' cooperatives in effecting exchange of agricultural commodities in their possession for strategic materials.

Independent trade, etc.

SEC. 304. The President shall exercise the authority contained herein (1) to assist friendly nations to be independent of trade with the U. S. S. R. or nations dominated or controlled by the U. S. S. R. for food, raw materials and markets, and (2) to assure that agricultural commodities sold or transferred hereunder do not result in increased availability of those or like commodities to unfriendly nations.

Marking of packages.

Ante, p. 458.

SEC. 305. All Commodity Credit Corporation stocks disposed of under title II of this Act and section 416 of the Agricultural Act of 1949, as amended, shall be clearly identified by, as far as practical, appropriate marking on each package or container as being furnished by the people of the United States of America.

Approved July 10, 1954.

(Extract from)

Public Law 665 - 83d Congress
Chapter 937 - 2d Session
H. R. 9678

AN ACT

To promote the security and foreign policy of the United States by furnishing assistance to friendly nations, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Mutual Security Act of 1954".

TITLE IV—OTHER PROGRAMS

SEC. 402. EARMARKING OF FUNDS.—Of the funds authorized to be made available pursuant to this Act not less than $350,000,000 shall be used to finance the export and sale for foreign currencies of surplus agricultural commodities or products thereof produced in the United States, in addition to surplus agricultural commodities or products transferred pursuant to the Agricultural Trade Development and Assistance Act of 1954, and in accordance with the standards as to pricing and the use of private trade channels expressed in section 101 of said Act. Foreign currency proceeds accruing from such sales shall be used for the purposes of this Act and with particular emphasis on the purposes of section 104 of the Agricultural Trade Development and Assistance Act of 1954 which are in harmony with the purposes of this Act. Notwithstanding section 1415 of the Supplemental Appropriation Act, 1953, or any other provision of law, the President may use or enter into agreements with friendly nations or organizations of nations to use for such purposes the foreign currencies which accrue to the United States under this section.

Approved August 26, 1954.

(Extract from)

Public Law 690 - 83d Congress
Chapter 1041 - 2d Session
H. R. 9680

AN ACT

68 Stat. 897.

To provide for greater stability in agriculture; to augment the marketing and disposal of agricultural products; and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

"Agricultural Act of 1954."

TITLE I—SET ASIDE OF AGRICULTURAL COMMODITIES

SEC. 103. (a) Such commodity set-aside shall be reduced by disposals made in accordance with the directions of the President as follows:

(1) Donation, sale, or other disposition for disaster or other relief purposes outside the United States pursuant to and subject to the limitations of title II of the Agricultural Trade Development and Assistance Act of 1954;

(2) Sale or barter (including barter for strategic materials) to develop new or expanded markets for American agricultural commodities, including but not limited to disposition pursuant to and subject to the limitations of title I of the Agricultural Trade Development and Assistance Act of 1954;

(3) Donation to school-lunch programs;

(4) Transfer to the national stockpile established pursuant to the Act of June 7, 1939, as amended (50 U. S. C. 98–98h), without reimbursement from funds appropriated for the purposes of that Act;

(5) Donation, sale, or other disposition for research, experimental, or educational purposes;

(6) Donation, sale, or other disposition for disaster relief purposes in the United States or to meet any national emergency declared by the President; and

(7) Sale for unrestricted use to meet a need for increased supplies at not less than 105 per centum of the parity price in the case of agricultural commodities and a price reflecting 105 per centum of the parity price of the agricultural commodity in the case of products of agricultural commodities.

Approved August 28, 1954.

Public Law 25 - 84th Congress
Chapter 27 - 1st Session
S. 752

AN ACT

All 69 Stat. 44.

To amend section 102 (a) of the Agricultural Trade Development and Assistance Act of 1954, so as to eliminate the requirement that privately owned stocks exported thereunder be replaced from Commodity Credit Corporation stocks.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 102 (a) of the Agricultural Trade Development and Assistance Act of 1954 is amended to read as follows:

Surplus agricultural commodities. 68 Stat. 455. 7 USC 1702.

"SEC. 102. (a) For the purpose of carrying out agreements concluded by the President hereunder, the Commodity Credit Corporation, in accordance with regulations issued by the President pursuant to subsection (b) of this section, (1) shall make available for sale hereunder to domestic exporters surplus agricultural commodities heretofore or hereafter acquired by the Corporation in the administration of its price-support operations, and (2) shall make funds available to finance the sale and exportation of surplus agricultural commodities, whether from private stocks or from stocks of the Commodity Credit Corporation. In supplying such commodities to exporters under this subsection the Commodity Credit Corporation shall not be subject to the sales price restrictions in section 407 of the Agricultural Act of 1949, as amended. The commodity set-aside established for any commodity under section 101 of the Agricultural Act of 1954 (68 Stat. 897) shall be reduced by a quantity equal to the quantity of such commodity financed hereunder which is exported from private stocks."

Availability.

Funds for export, etc.

63 Stat. 1055. 7 USC 1427. 7 USC 1741.

Approved April 25, 1955.

Public Law 387 - 84th Congress
Chapter 873 - 1st Session
S. 2253

AN ACT

All 69 Stat. 721.

To reemphasize trade development as the primary purpose of title I of the Agricultural Trade Development and Assistance Act of 1954.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled. That section 103 (b) of the Agricultural Trade Development and Assistance Act of 1954 is amended by striking out "$700,000,000" and inserting in lieu thereof "$1,500,000,000. This limitation shall not be apportioned by year or by country, but shall be considered as an objective as well as a limitation, to be reached as rapidly as possible so long as the purposes of this Act can be achieved within the safeguards established."

Agricultural trade development.
68 Stat. 456.
7 USC 1703 (b).

SEC. 2. Section 106 of such Act is amended by adding the following: "The Secretary of Agriculture is also authorized to determine the nations with whom agreements shall be negotiated, and to determine the commodities and quantities thereof which may be included in the negotiations with each country after advising with other agencies of Government affected and within broad policies laid down by the President for implementing this Act."

68 Stat. 457.
7 USC 1706.

Approved August 12, 1955.

(Extract from)

Public Law 540 - 84th Congress
Chapter 327 - 2d Session
H. R. 10875

AN ACT

To enact the Agricultural Act of 1956.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Agricultural Act of 1956".

TITLE I—SOIL BANK ACT

TRANSFER OF BARTERED MATERIALS TO SUPPLEMENTAL STOCKPILE

SEC. 206. (a) Strategic and other materials acquired by the Commodity Credit Corporation as a result of barter or exchange of agricultural commodities or products, unless acquired for the national stockpile established pursuant to the Strategic and Critical Materials Stock Piling Act (50 U. S. C. 98-98h), or for other purposes shall be transferred to the supplemental stockpile established by section 104 (b) of the Agricultural Trade Development and Assistance Act of 1954 (7 U. S. C. 1704).

(b) Strategic materials acquired by the Commodity Credit Corporation as a result of barter or exchange of agricultural commodities or products may be entered, or withdrawn from warehouse, free of duty.

(c) In order to reimburse the Commodity Credit Corporation for materials transferred to the supplemental stockpile there are hereby authorized to be appropriated amounts equal to the value of any materials so transferred. The value of any such material for the purpose of this subsection, shall be the lower of the domestic market price or the Commodity Credit Corporation's investment therein as of the date of such transfer, as determined by the Secretary of Agriculture.

SEC. 208. The Agricultural Trade Development and Assistance Act of 1954, as amended, is amended as follows:

(a) The first sentence of section 103 (a) is amended by striking out the word "and" following the words "handling costs," and by inserting immediately before the period the following: "and, (3) all Commodity Credit Corporation funds expended for ocean freight costs authorized under title II hereof for purposes of section 416 of the Agricultural Act of 1949, as amended".

(b) Section 201 is amended by striking out "f. o. b. vessels in United States ports,".

(c) The first sentence of section 203 is amended to read as follows: "Not more than $500,000,000 (including the Corporation's investment in such commodities) shall be expended for all such transfers and for other costs authorized by this title." Section 203 is further amended by adding at the end of the section the following: "Such transfers may include delivery f. o. b. vessels in United States ports and, upon a determination by the President that it is necessary to accomplish the purposes of this title or of section 416 of the Agricultural Act of 1949, as amended, ocean freight charges from United States ports to designated ports of entry abroad may be paid from funds available to carry out this title on commodities transferred pursuant hereto or donated under said section 416. Funds required for ocean freight costs authorized under this title may be transferred by the Commodity Credit Corporation to such other Federal agency as may be designated by the President."

Approved May 28, 1956.

Public Law 962 - 84th Congress
Chapter 933 - 2d Session
S. 3903

AN ACT

All 70 Stat. 988.

To amend the Agricultural Trade Development and Assistance Act of 1954, as amended, so as to increase the amount authorized to be appropriated for purposes of title I of the Act, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 103 (b) of the Agricultural Trade Development and Assistance Act of 1954, as amended (Public Law 480, Eighty-third Congress), is amended by striking out "$1,500,000,000" and inserting in lieu thereof "$3,000,000,000". Commodity Credit Corp. 68 Stat. 456. 7 USC 1703.

SEC. 2. Section 104 of the Act is amended by inserting after subsection (i) the following new subsection: 7 USC 1704.

"(j) For providing assistance to activities and projects authorized by section 203 of the United States Information and Educational Exchange Act of 1948, as amended (22 U. S. C. 1448), but no foreign currencies which are available under the terms of any agreement for appropriation for the general use of the United States shall be used for the purposes of this subsection (j) without appropriation therefor." 62 Stat. 7.

SEC. 3. Sales of fresh fruit and the products thereof under title I of the Act shall be exempt from the requirements of the cargo preference laws (Public Resolution 17, Seventy-third Congress (15 U. S. C. 616a) and section 901 (b) of the Merchant Marine Act, 1936 (46 U. S. C. 1241 (b))). 48 Stat. 500; 68 Stat. 832.

SEC. 4. Section 201 of the Act is amended by inserting after the word "urgent" wherever it occurs in said section the words "or extraordinary". 7 USC 1721.

Approved August 3, 1956.

Public Law 85-128
85th Congress, S. 1314
August 13, 1957

AN ACT

71 Stat. 345.

To extend the Agricultural Trade Development and Assistance Act of 1954, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Agricultural Trade Development and Assistance Act of 1954, as amended, is amended as follows:

68 Stat. 454.
7 USC 1691 note.

(1) Sections 109 and 204 of such Act are amended by striking out "1957" and substituting in lieu thereof "1958".

Extension.
7 USC 1709, 1724.

(2) Section 103 (b) of such Act is amended by striking out "$3,000,000,000" and inserting in lieu thereof "$4,000,000,000".

Surplus disposal.
7 USC 1703.

(3) Section 203 of such Act is amended by striking out "$500,000,000" and inserting in lieu thereof "$800,000,000".

Ports, Calif.
7 USC 1723.

(4) Section 104 (e) of such Act is amended by striking out the semicolon at the end thereof and adding a comma and the following: "for which purposes not more than 25 per centum of the currencies received pursuant to each such agreement shall be available through and under the procedures established by the Export-Import Bank for loans mutually agreeable to said bank and the country with which the agreement is made to United States business firms and branches, subsidiaries, or affiliates of such firms for business development and trade expansion in such countries and for loans to domestic or foreign firms for the establishment of facilities for aiding in the utilization, distribution, or otherwise increasing the consumption of, and markets for, United States agricultural products: *Provided, however*, That no such loans shall be made for the manufacture of any products to be exported to the United States in competition with products produced in the United States or for the manufacture or production of any commodity to be marketed in competition with United States agricultural commodities or the products thereof. Foreign currencies may be accepted in repayment of such loans."

Foreign currency loans.
7 USC 1704.

(5) Within sixty days after any agreement is entered into for the use of any foreign currencies, a full report thereon shall be made to the Senate and the House of Representatives of the United States and to the Committees on Agriculture and Appropriations thereof.

Reports to Congress.

(6) Section 304 of such Act is amended to read as follows:

7 USC 1693.

"SEC. 304. (a) The President shall exercise the authority contained in title I of this Act (1) to assist friendly nations to be independent of trade with the Union of Soviet Socialist Republics and with nations dominated or controlled by the Union of Soviet Socialist Republics and (2) to assure that agricultural commodities sold or transferred thereunder do not result in increased availability of those or like commodities to unfriendly nations.

Independent trade, etc.

"(b) Nothing in this Act shall be construed as authorizing transactions under title I or title III with the Union of Soviet Socialist Republics or any of the areas dominated or controlled by the Communist regime in China."

Approved August 13, 1957.

98-287 O - 73 - pt. 2 - 5

(Extract from)

Public Law 85-141
85th Congress, S. 2130
August 14, 1957

AN ACT

To amend further the Mutual Security Act of 1954, as amended, and for other purposes.

SEC. 11. Title V, chapter 3, of the Mutual Security Act of 1954, as amended, which relates to repeal and miscellaneous provisions, is further amended as follows:

(a) In section 543, relating to saving provisions, insert the following new subsections:

"(d) Funds appropriated pursuant to provisions of this Act repealed by the Mutual Security Act of 1956 or the Mutual Security Act of 1957 shall remain available for their original purposes in accordance with the provisions of law originally applicable thereto. References in any Act to provisions of this Act repealed or stricken out by the Mutual Security Act of 1957 are hereby stricken out; and references in any Act to provisions of this Act redesignated by the Mutual Security Act of 1957 are hereby amended to refer to the new designations."

(b) Amend section 544, which relates to amendments to other laws, as follows:

(1) Repeal subsections (a), (c), (d), (e), (f), (g), (h), and (i), which repeals shall not be deemed to affect amendments contained in such subsections to Acts other than the Mutual Security Act of 1954, as amended; and redesignate subsection "(b)" as subsection "(a)".

(2) Add the following new subsections:

"(b) Public Law 174, Seventy-ninth Congress, as amended, is hereby further amended by striking out '31.5' in the proviso at the end of section 2 and inserting '33.33'.

"(c) Section 104 (h) of the Agricultural Trade Development and Assistance Act of 1954, as amended (Public Law 480, Eighty-third Congress; 7 U. S. C. 1704) is amended by changing the period at the end thereof to a comma and adding: 'such special and particular effort to include the setting aside of such amounts from sale proceeds and loan repayments under this title, not in excess of $1,000,000 a year in any one country for a period of not more than five years in advance, as may be determined by the Secretary of State to be required for the purposes of this subsection;'."

(c) In section 546 (b), relating to construction, strike out "Atomic Energy Act of 1946, as amended (42 U. S. C. 1801)" and substitute "Atomic Energy Act of 1954, as amended (42 U. S. C. 2011)".

(d) Repeal section 547, which relates to reduction of authorizations.

(e) In section 549, relating to special provision on availability of funds, strike out "chapter 3 of title I," and strike out the comma following "title III".

Approved August 14, 1957.

(Extract from)

Public Law 85-477
85th Congress, H. R. 12181
June 30, 1958

AN ACT

To amend further the Mutual Security Act of 1954, as amended, and for other purposes.

"CHAPTER IV—GENERAL AND ADMINISTRATIVE PROVISIONS"

(l) Section 104 of the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480, Eighty-third Congress; 7 U. S. C. 1704), as amended, is further amended by adding after paragraph (j) the following new paragraph:

"(k) To collect, collate, translate, abstract, and disseminate scientific and technological information and to conduct and support scientific activities overseas including programs and projects of scientific cooperation between the United States and other countries such as coordinated research against diseases common to all of mankind or unique to individual regions of the globe, but no foreign currencies shall be used for the purposes of this subsection (k) unless specific appropriations be made therefor."

(m) The Act of June 14, 1948, as amended (22 U. S. C. 290) authorizing participation in the World Health Organization, is amended by adding the following new section 6:

"SEC. 6. The Congress of the United States, recognizing that the diseases of mankind, because of their widespread prevalence, debilitating effects, and heavy toll in human life, constitute a major deterrent to the efforts of many peoples to develop their economic resources and productive capacities, and to improve their living conditions, declares it to be the policy of the United States to continue and strengthen mutual efforts among the nations for research against diseases such as heart disease and cancer. In furtherance of this policy, the Congress invites the World Health Organization to initiate studies looking toward the strengthening of research and related programs against these and other diseases common to mankind or unique to individual regions of the globe."

COOPERATION IN WESTERN HEMISPHERE

SEC. 503. It is the sense of the Congress that, in view of the friendly relationships and mutual interests which exist between the United States and the other nations of the Western Hemisphere, the President should, pursuant to the provisions of the Mutual Security Act of 1954, as amended, and other applicable legislation, seek to strengthen cooperation in the Western Hemisphere to the maximum extent by encouraging joint programs of technical and economic development.

Approved June 30, 1958.

Public Law 85-931
85th Congress, S. 3420
September 6, 1958

AN ACT

72 Stat. 1790.

To extend and amend the Agricultural Trade Development and Assistance Act of 1954.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 101 of the Agricultural Trade Development and Assistance Act of 1954, as amended (Public Law 480, Eighty-third Congress), is amended by striking out the semicolon at the end of paragraph (a) thereof and adding "or normal patterns of commercial trade with friendly countries;". Agricultural Trade Development and Assistance Act of 1954, amendments. 68 Stat. 455. 7 USC 1701.

SEC. 2. Section 103 (b) of such Act is amended to read as follows: Commodity Credit Corp. Reimbursement. 68 Stat. 456; 71 Stat. 345. 7 USC 1703.

"(b) Agreements shall not be entered into under this title during the period beginning July 1, 1958, and ending December 31, 1959, which will call for appropriations to reimburse the Commodity Credit Corporation, pursuant to subsection (a) of this section, in amounts in excess of $2,250,000,000, plus any amount by which agreements entered into in prior fiscal years have called or will call for appropriations to reimburse the Commodity Credit Corporation in amounts less than authorized for such prior fiscal years by this Act as in effect during such fiscal years.".

SEC. 3. (a) Section 104 of such Act is amended by inserting before the period at the end of the first sentence of paragraph (h) thereof the following: "and for the financing in such amounts as may be specified from time to time in appropriation acts of programs for the interchange of persons under title II of the United States Information and Educational Exchange Act of 1948, as amended (22 U. S. C. 1446)". Foreign currencies, additional uses. 7 USC 1704. 70 Stat. 241.

(b) Section 104 of the Agricultural Trade Development and Assistance Act of 1954, as amended, is further amended by substituting a semicolon for the period at the end of paragraph (k) and adding the following new paragraphs: 7 USC 1704.

"(l) For the acquisition by purchase, lease, rental or otherwise, of sites and buildings and grounds abroad, for United States Government use including offices, residence quarters, community and other facilities, and for construction, repair, alteration and furnishing of such buildings and facilities: *Provided*, That foreign currencies shall be available for the purposes of this subsection (in addition to funds otherwise made available for such purposes) in such amounts as may be specified from time to time in appropriation acts;

"(m) For financing in such amounts as may be specified from time to time in appropriation acts (A) trade fair participation and related activities authorized by section 3 of the International Cultural Exchange and Trade Fair Participation Act of 1956 (22 U. S. C. 1992), and (B) agricultural and horticultural fair participation and related activities; 70 Stat. 778.

"(n) For financing under the direction of the Librarian of Congress, in consultation with the National Science Foundation and other interested agencies, in such amounts as may be specified from time to time in appropriation acts, (1) programs outside the United States for the analysis and evaluation of foreign books, periodicals, and other materials to determine whether they would provide information of technical or scientific significance in the United States and whether such books, periodicals, and other materials are of cultural or educational significance; (2) the registry, indexing, binding, reproduction, cataloging, abstracting, translating, and dissemination of books, periodicals, and related materials determined to have such significance;

and (3) the acquisition of such books, periodicals, and other materials and the deposit thereof in libraries and research centers in the United States specializing in the areas to which they relate;

"(o) For providing assistance, in such amounts as may be specified from time to time in appropriation acts, by grant or otherwise, in the expansion or operation in foreign countries of established schools, colleges, or universities founded or sponsored by citizens of the United States, for the purpose of enabling such educational institutions to carry on programs of vocational, professional, scientific, technological, or general education; and in the supporting of workshops in American studies or American educational techniques, and supporting chairs in American studies:".

7 USC 1709.

SEC. 4. Section 109 of such Act is amended by striking out "June 30, 1958" and inserting in lieu thereof "December 31, 1959".

7 USC 1724.

SEC. 5. Section 204 of such Act is amended by striking out "June 30, 1958" and inserting in lieu thereof "December 31, 1959".

7 USC 1692.

SEC. 6. Section 303 of the Agricultural Trade Development and Assistance Act of 1954 is amended to read as follows:

Barter or exchange.

"SEC. 303. The Secretary shall, whenever he determines that such action is in the best interest of the United States, and to the maximum extent practicable, barter or exchange agricultural commodities owned by the Commodity Credit Corporation for (a) such strategic or other materials of which the United States does not domestically produce its requirements and which entail less risk of loss through deterioration or substantially less storage charges as the President may designate, or (b) materials, goods, or equipment required in connection with foreign economic and military aid and assistance programs, or (c) materials or equipment required in substantial quantities for offshore construction programs. He is hereby directed to use every practicable means, in cooperation with other Government agencies, to arrange and make, through private channels, such barters or exchanges or to utilize the authority conferred on him by section 4 (h) of the Commodity Credit Corporation Charter Act, as amended, to make such barters or exchanges. In carrying out barters or exchanges authorized by this section, no restrictions shall be placed on the countries of the free world into which surplus agricultural commodities may be sold, except to the extent that the Secretary shall find necessary in order to take reasonable precautions to safeguard usual marketings of the United States and to assure that barters or exchanges under this Act will not unduly disrupt world prices of agricultural commodities or replace cash sales for dollars. The Secretary may permit the domestic processing of raw materials of foreign origin. The Secretary shall endeavor to cooperate with other exporting countries in preserving normal patterns of commercial trade with respect to commodities covered by formal multilateral international marketing agreements to which the United States is a party. Agencies of the United States Government procuring such materials, goods, or equipment are hereby directed to cooperate with the Secretary in the disposal of surplus agricultural commodities by means of barter or exchange. The Secretary is also directed to assist, through such means as are available to him, farmers' cooperatives in effecting exchange of agricultural commodities in their possession for strategic materials."

62 Stat. 1070. 15 USC 714 note.

Restriction. 70 Stat. 200. 7 USC 1856.

SEC. 7. Section 206 (a) of the Agricultural Act of 1956 is amended by inserting before the period at the end thereof a semicolon and the following: "but no strategic or critical material shall be acquired by the Commodity Credit Corporation as a result of such barter or exchange, except for such national stockpile, for such supplemental stockpile, for foreign economic or military aid or assistance programs, or for offshore construction programs".

SEC. 8. In carrying out the provisions of the Agricultural Trade Development and Assistance Act of 1954, as amended, extra long staple cotton shall be made available for sale pursuant to the provisions of title I of the Act in the same manner as upland cotton or any other surplus agricultural commodity is made available, and products manufactured from upland or long staple cotton shall be made available for sale pursuant to the provisions of title I of the Act as long as cotton is in surplus supply, and no discriminatory or other conditions shall be imposed which will prevent or tend to interfere with their sale or availability for sale under the Act: *Provided*, That that portion of the sales price of such products which is financed as a sale for foreign currency under title I of the Act shall be limited to the estimated portion of the sales price of such products attributable to the raw cotton content of such products.

Long staple cotton.
Availability.
7 USC 1691 note.
7 USC 1701-1709.

SEC. 9. Notwithstanding any other provision of law (1) those areas under the jurisdiction or administration of the United States are authorized to receive from the Department of Agriculture for distribution on the same basis as domestic distribution in any State, Territory, or possession of the United States, without exchange of funds, such surplus commodities as may be available pursuant to clause (2) of section 32 of the Act of August 24, 1935, as amended (7 U. S. C. 612c), and section 416 of the Agricultural Act of 1949, as amended (7 U. S. C. 1431); and (2) the Commodity Credit Corporation is authorized to purchase products of oil seeds, and edible oils and fats and the products thereof in such form as may be needed for donation abroad as provided in the following sentence. Any such commodities or products if purchased shall be donated to nonprofit voluntary agencies registered with the Department of State, other appropriate agencies of the Federal Government or international organizations for use in the assistance of needy persons outside the United States. Commodity Credit Corporation may incur such additional costs with respect to such oil as it is authorized to incur with respect to food commodities disposed of under section 416 of the Agricultural Act of 1949.

Distribution of surplus commodities to other U. S. areas.

68 Stat. 7, 458.

Purchase of products for donation abroad.

Approved September 6, 1958.

Public Law 86-341
86th Congress, H. R. 8609
September 21, 1959

AN ACT

To extend the Agricultural Trade Development and Assistance Act of 1954, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—AMENDMENTS TO THE AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954

68 Stat. 454.
7 USC 1691 note.

SECTION 1. Sections 109 and 204 of the Agricultural Trade Development and Assistance Act of 1954, as amended, are amended by striking out "1959" and substituting in lieu thereof "1961". 7 USC 1709, 1724.

SEC. 2. Section 103(b) of such Act is amended, effective January 1, 1960, to read as follows: 7 USC 1703.

"(b) Agreements shall not be entered into under this title in any calendar year during the period beginning January 1, 1960, and ending December 31, 1961, which will call for appropriations to reimburse the Commodity Credit Corporation, pursuant to subsection (a) of this section, in amounts in excess of $1,500,000,000, plus any amount by which agreements entered into in the preceding calendar year have called or will call for appropriations to reimburse the Commodity Credit Corporation in amounts less than authorized for such preceding year by this Act as in effect during such preceding year." Agreements. Limitation.

SEC. 3. Section 203 of such Act is amended, effective January 1, 1960, by striking out the first sentence and inserting in lieu thereof: 7 USC 1723.

"Not more than $300,000,000 (including the Corporation's investment in such commodities) plus any amount by which transfers made in the preceding calendar year have called or will call for appropriations to reimburse the Commodity Credit Corporation in amounts less than could have been expended during such preceding year under this title as in effect during such preceding year shall be expended in any calendar year during the period January 1, 1960, and ending December 31, 1961, for all such transfers and for other costs authorized by this title."

SEC. 4. Subsection (a) of section 104 of such Act is amended by inserting a period in lieu of the semicolon at the end thereof, and adding the following: 7 USC 1704.

"From sale proceeds and loan repayments under this title not less than the equivalent of 5 per centum of the total sales made under this title after the date of this amendment shall be made available in advance for use as provided by this subsection over such period of years as the Secretary of Agriculture determines will most effectively carry out the purpose of this subsection: *Provided*, That no such funds shall be allocated under this subsection after June 30, 1960, except as may be specified, from time to time, in appropriation acts. Particular regard shall be given to provide in sale and loan agreements for the convertibility of such amount of the proceeds thereof as may be needed to carry out the purpose of this subsection in those countries which are or offer reasonable potential of becoming dollar markets for United States agricultural commodities. Notwithstanding any other provision of law, if sufficient foreign currencies for carrying out the purpose of this subsection in such countries are not otherwise available, agreements may be entered into with such countries for the sale of surplus agricultural commodities in such amounts as the Secretary of Agriculture determines to be adequate and for the use of the proceeds to carry out the purpose of this subsection;" Use of foreign currencies. 73 STAT. 606. 73 STAT. 607.

7 USC 1704.

SEC. 5. Subsection (b) of section 104 of such Act is amended to read as follows:

Strategic materials.

"(b) To purchase or contract to purchase, in such amounts as may be specified from time to time in appropriation acts, strategic or other materials for a supplemental United States stockpile of such materials as the President may determine from time to time. Such strategic or other materials acquired under this subsection shall be placed in the above named supplemental stockpile and shall be released therefrom only under the provisions of section 3 of the Strategic and Critical Materials Stock Piling Act;"

60 Stat. 597.
50 USC 98b.

SEC. 6. Section 104(k) of such Act is amended by striking out the colon and inserting in lieu thereof a comma and the following: "and to promote and support programs of medical and scientific research, cultural and educational development, health, nutrition, and sanitation:".

72 Stat. 1790.
7 USC 1704.

SEC. 7. Section 104(o) of such Act is amended by striking out so much thereof as follows the semicolon.

SEC. 8. Section 104 of such Act is further amended by inserting after paragraph (o) the following new paragraphs:

"(p) For supporting workshops in American studies or American educational techniques, and supporting chairs in American studies;

"(q) For assistance to meet emergency or extraordinary relief requirements other than requirements for surplus food commodities: *Provided*, That not more than a total amount equivalent to $5,000,000 may be made available for this purpose during any fiscal year;

"(r) For financing the preparation, distribution, and exhibiting of audio-visual informational and educational materials, including Government materials, abroad: *Provided*, That not more than a total amount equivalent to $2,500,000 may be made available for this purpose during any fiscal year, but nothing in this subsection shall limit or affect the use of foreign currencies to finance the preparation, distribution, or exhibition of such materials in connection with trade fairs and other market development activities under subsection (a);".

SEC. 9. Section 104 of such Act is further amended by inserting before the period at the end thereof a colon and the following: "*Provided, however*, That no foreign currencies shall be available for the purpose of subsection (p), except in such amounts as may be specified from time to time in appropriation Acts, and no foreign currencies shall be allocated under any provision of this Act after June 30, 1960, for the purposes specified in subsections (k), (p), and (r), except in such amounts as may be specified from time to time in appropriation Acts."

7 USC 1694.

SEC. 10. Section 305 of such Act is amended to read as follows:

"SEC. 305. All Commodity Credit Corporation stocks donated abroad under title II of this Act and section 416 of the Agricultural Act of 1949, as amended, shall be clearly identified by appropriate marking on each package or container and insofar as practical in the language of the locality where such stocks are distributed as being furnished by the people of the United States of America and where available funds accruing under title I shall be used for this purpose."

63 Stat. 1058.
7 USC 1431.

73 STAT. 607.
73 STAT. 608.

SEC. 11. Title III of such Act is amended by adding at the end thereof the following new section:

68 Stat. 458.
7 USC 1427,1431, 1692-1694.
Food stamp system.

"SEC. 306. (a) In order to promote the general welfare, raise the levels of health and of nourishment for persons whose incomes prevent them from enjoying adequate diets, and dispose in a beneficial manner of food commodities acquired by the Commodity Credit Corporation or the Department of Agriculture in carrying out price support operations or diverted from the normal channels of trade and commerce under section 32 of the Act of August 24, 1935, as amended,

49 Stat. 774.
7 USC 612c.

the Secretary of Agriculture (in this section referred to as the 'Secretary') is hereby authorized to promulgate and put into operation a program to distribute to needy persons in the United States, including needy Indians, through a food stamp system such surplus food commodities. Such program shall provide for the distribution of such surplus food commodities only during the period beginning February 1, 1960, and ending January 31, 1962. The cost of such program, including the cost to the Federal Government of acquiring, storing, and handling such surplus food commodities, shall not exceed $250,000,000 in any 12-month period beginning February 1 and ending January 31. Cost limitation.

"(b) In carrying out such program, the Secretary shall—

"(1) distribute surplus food made available by the Secretary for distribution under this program only when requested to do so by a State or political subdivision thereof;

"(2) issue, or cause to be issued, pursuant to subsection (c), food stamps redeemable by eligible needy persons for such types and quantities of surplus food as the Secretary shall determine;

"(3) distribute surplus food in commercially packaged form, preferably through normal channels of trade;

"(4) establish standards under which, pursuant to subsection (c), the welfare authorities of any State or political subdivision thereof may participate in the food stamp plan for the distribution of surplus foods to the needy;

"(5) consult the Secretary of Health, Education, and Welfare, and the Secretary of Labor, in establishing standards for eligibility for surplus foods and in the conduct of the program generally to assure achievement of the goals outlined in subsection (a) of this section; and

"(6) make such other rules and regulations as he may deem necessary to carry out the purpose of this section.

"(c) The Secretary shall issue, to each welfare department or equivalent agency of a State or political subdivision requesting the distribution of surplus food under subsection (b)(1), food stamps for each kind of surplus food to be distributed, in amounts based on the total amount of surplus food to be distributed and on the total number of needy persons in the various States and political subdivisions eligible to receive such food. The food stamps shall be issued by each such welfare department or equivalent agency to needy persons receiving welfare assistance, or in need of welfare assistance but ineligible because of State or local law, and shall be redeemable by such needy persons at local distribution points to be determined by the Secretary under subsection (b)(3). Issuance of food stamps.

"(d) Receipt by any person of benefits under this section shall not be deemed to be income or resources under the provisions of the Social Security Act or any other Federal legislation pertaining to the security of the aged, blind, disabled, dependent children, unemployed, or other similar groups. Any State or local subdivision thereof which decreases the cash or other assistance extended to any person or group as a consequence of the assistance made available under this section shall be ineligible for further participation under this section. 49 Stat. 620. 42 USC 1305. 73 STAT. 608. 73 STAT. 609.

"(e) Surplus foods to be distributed under this section shall be limited to surplus foods acquired under the Agricultural Act of 1949 or diverted from the normal channels of trade under Section 32 of Public Law 320, 74th Congress. 63 Stat. 1051. 7 USC 1421 note. 7 USC 612c.

"(f) For the purposes of this section, a needy person is anyone receiving welfare assistance (financial or otherwise) from the welfare department or equivalent agency of any State or political subdivision Needy person.

thereof, or who is, in the opinion of such agency or agencies, in need of welfare assistance but is ineligible to receive it because of State or local law.

Report to Congress.

"(g) The Secretary of Agriculture, in consultation with the Secretary of Health, Education, and Welfare and the Secretary of Labor, shall make a study of, and shall report to Congress within six months after the date of enactment of this section, on the feasibility of, the costs of, and the problems involved in, extending the scope of the food stamp plan established by this section to include persons receiving unemployment compensation, receiving old-age and survivors insurance (social security) pensions, and other low-income groups not eligible to receive food stamps under this section.

Appropriation.

"(h) There are hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary to carry out the purposes of this section."

68 Stat. 458. 7 USC 1427, 1431, 1692-1694.

SEC. 12. Title III of such Act is further amended by adding at the end thereof a new section as follows:

"SEC. 307. Whenever the Secretary of Agriculture determines under section 106 of this Act that any food commodity is a surplus agricultural commodity, insofar as practicable he shall make such commodity available for distribution to needy families and persons in the United States in such quantities as he determines are reasonably necessary before such commodity is made available for sale for foreign currencies under title I of this Act."

SEC. 13. Title III of such Act is further amended by adding at the end thereof a new section as follows:

Animal fats and edible oils.

"SEC. 308. Notwithstanding any other provision of law, the Commodity Credit Corporation is hereby authorized—

"(1) to dispose of its stocks of animal fats and edible oils or products thereof by donation, upon such terms and conditions as the Secretary of Agriculture deems appropriate, to nonprofit voluntary agencies registered with the Department of State, appropriate agencies of the Federal Government or international organizations, for use in the assistance of needy persons outside the United States;

"(2) to purchase for donation as provided above such quantities of animal fats and edible oils and the products thereof as the Secretary determines will tend to maintain the support level for cottonseed and soybeans without requiring the acquisition of such commodities under the price support program.

Commodity Credit Corporation may incur such additional costs with respect to commodities to be donated hereunder as it is authorized to incur with respect to food commodities disposed of under section 416 of the Agricultural Act of 1949, and may pay ocean freight charges from United States ports to designated ports of entry abroad."

63 Stat. 1058. 7 USC 1431.

73 STAT. 609. 73 STAT. 610.

SEC. 14. Such Act is further amended by adding thereto the following new title:

"TITLE IV—LONG-TERM SUPPLY CONTRACTS

"SEC. 401. The purpose of this title is to utilize surplus agricultural commodities and the products thereof produced in the United States to assist the economic development of friendly nations by providing long-term credit for purchases of surplus agricultural commodities for domestic consumption during periods of economic development so that the resources and manpower of such nations may be utilized more effectively for industrial and other domestic economic development without jeopardizing meanwhile adequate supplies of agricultural commodities for domestic use.

"SEC. 402. In furtherance of this purpose, the President is authorized to enter into agreements with friendly nations under which the United States shall undertake to provide for delivery annually of certain quantities of such surplus agricultural commodities for periods of not to exceed ten years, pursuant to the terms and conditions set out in this title, providing such commodities are in surplus at the time delivery is to be made.

"SEC. 403. Payment for such commodities shall be in dollars with interest at such rate as the Secretary may determine but not more than the cost of the funds to the United States Treasury as determined by the Secretary of the Treasury, taking into consideration the current average market yields on outstanding marketable obligations of the United States having maturity comparable to the maturities of loans made by the President under this section. Payment may be made in approximately equal annual amounts over periods of not to exceed twenty years from the date of the last delivery of commodities in each calendar year under the agreement and interest shall be computed from the date of such last delivery.

"SEC. 404. In carrying out the provisions of this title, the Secretary of Agriculture shall endeavor to maximize the sale of United States agricultural commodities taking such reasonable precautions as he determines necessary to avoid replacing any sales which the Secretary finds and determines would otherwise be made for cash dollars.

"SEC. 405. In entering into such agreements, the Secretary shall endeavor to reach agreement with other exporting nations of such commodities for their participation in the supply and assistance program herein authorized on a proportionate and equitable basis.

"SEC. 406. In carrying out this title, the provisions of sections 102, 103(a), 106, 107, and 108 of this Act shall be applicable to the extent not inconsistent with this title." 7 USC 1702, 1703, 1706-1708.

TITLE II—MISCELLANEOUS

SEC. 201. (a) In order to insure the nutritional value of cornmeal, grits, and white flour when such foods are made available for distribution under section 416(3) of the Agricultural Act of 1949 or for distribution to schools under the National School Lunch Act or any other Act, such foods shall be enriched so as to meet the standards for enriched cornmeal, enriched corn grits, or enriched flour, as the case may be, prescribed in regulations promulgated under the Federal Food, Drug, and Cosmetic Act; and in order to protect the nutritional value and sanitary quality of such enriched foods during transportation and storage such foods shall be packaged in sanitary containers. For convenience and ease in handling, the weight of any sanitary container when filled shall not exceed fifty pounds. 7 USC 1431. 60 Stat. 230. 42 USC 1751 note. 52 Stat. 1040. 21 USC 301. 73 STAT. 610. 73 STAT. 611.

(b) The term "sanitary container" means any container of such material and construction as (1) will not permit the infiltration of foreign matter into the contents of such container under ordinary conditions of shipping and handling, and (2) will not, for a period of at least one year, disintegrate so as to contaminate the contents of the container, necessitating the washing of the contents prior to use. Definition.

SEC. 202. In lieu of the limitation on annual payment rates for 1960 conservation reserve contracts prescribed in clause (2) of the sixth proviso under the head "Conservation Reserve" in Public Law 86-80, no such annual payment rate shall be established in excess of 20 per centum of the value of the land placed under contract, such value to be determined without regard to physical improvements thereon or geographical location thereof; but in no event shall such annual payment rate be established in excess of the maximum rate which the Ante, p. 174.

county committee determines would have been established for such land under the 1959 Conservation Reserve Program, except that the county committee in making such determination shall not be required to obtain the landowner's or operator's estimate as to value or his certificate as to production history and productivity.

'66 Stat. 759. 7 USC 1347.

SEC. 203. Section 347(b) of the Agricultural Adjustment Act of 1938, as amended, is amended by striking out the period at the end thereof and inserting a colon and the following: "*Provided, however*, That the national marketing quota for the 1960 crop of such cotton shall be not less than 90 per centum of the 1959 marketing quota for such cotton."

70 Stat. 200. 7 USC 1856.

SEC. 204. Section 206(a) of the Agricultural Act of 1956 is amended by inserting before the period at the end thereof a comma and the following: "or to meet requirements of Government agencies".

Approved September 21, 1959.

(Extract From)

Public Law 86-108
86th Congress, H. R. 7500
July 24, 1959

AN ACT

To amend further the Mutual Security Act of 1954, as amended, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Mutual Security Act of 1959".

Mutual Security Act of 1959.

CHAPTER VII—AMENDMENTS TO OTHER LAWS AND MISCELLANEOUS PROVISIONS

SEC. 701.

(d) Section 104(k) of Public Law 480, Eighty-third Congress (68 Stat. 454), as amended, is further amended by inserting "research" immediately after "conduct", and by substituting for the phrase ", but no foreign currencies shall be used for the purposes of this subsection (k) unless specific appropriations be made therefor;" the following: ": *Provided*, That foreign currencies shall be available for the purposes of this subsection (in addition to funds otherwise made available for such purposes) only in such amounts as may be specified from time to time in appropriation Acts;".

Approved July 24, 1959.

(Extract from)

Public Law 86-472
86th Congress, H. R. 11510
May 14, 1960

AN ACT

74 STAT. 134.

To amend further the Mutual Security Act of 1954, as amended, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Mutual Security Act of 1960". Mutual Security Act of 1960.

Chapter VI—Amendments to Other Laws

Sec. 601. Title II of the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1721 and the following), which relates to famine relief and other assistance, is amended as follows:

(a) (1) In section 202, strike out "The" at the beginning thereof and substitute the following: "In order to facilitate the utilization of surplus agricultural commodities in meeting the requirements of needy peoples, and in order to promote economic development in underdeveloped areas in addition to that which can be accomplished under title I of this Act, the". 7 USC 1722.

(2) The amendment made by this subsection shall expire June 30, 1961.

(b) In section 203, which relates to delivery of relief supplies, in the third sentence after the words "designated ports of entry abroad" insert ", or, in the case of landlocked countries, transportation from United States ports to designated points of entry abroad,", and before the period at the end of such sentence insert the following: ", and charges for general average contributions arising out of the ocean transport of commodities transferred pursuant hereto may be paid from such funds". 7 USC 1723.

Approved May 14, 1960.

Public Law 87-28
87th Congress, S. 102
May 4, 1961

AN ACT

75 STAT. 64.

To amend title I of the Agricultural Trade Development and Assistance Act of 1954.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 103(b) of the Agricultural Trade Development and Assistance Act of 1954, as amended, is amended by deleting "any calendar year during the period beginning January 1, 1960, and ending December 31, 1961," and substituting "the calendar year 1960," and by adding at the end thereof the following: "Agreements shall not be entered into under this title in the calendar year 1961 which will call for appropriations to reimburse the Commodity Credit Corporation pursuant to subsection (a) of this section, in amounts in excess of $3,500,000,000, plus any amount by which agreements entered into in the preceding calendar year have called or will call for appropriations to reimburse the Commodity Credit Corporation in amounts less than authorized for such preceding year by this Act as in effect during such preceding years."

Agricultural Trade Development and Assistance Act of 1954, amendment.
73 Stat. 606.
7 USC 1703.
68 Stat. 456.

Approved May 4, 1961.

Public Law 87-92
87th Congress, S. 1720
July 20, 1961

An Act

75 STAT. 211.

To continue the authority of the President under title II of the Agricultural Trade Development and Assistance Act of 1954, as amended, to utilize surplus agricultural commodities to assist needy peoples and to promote economic development in underdeveloped areas of the world.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 601 (a)(2) of the Mutual Security Act of 1960 is hereby repealed.

Agricultural surpluses. 74 Stat. 140. 7 USC 1722.

Approved July 20, 1961.

(Extract From)

Public Law 87-128
87th Congress, S. 1643
August 8, 1961

An Act

To improve and protect farm prices and farm income, to increase farmer participation in the development of farm programs, to adjust supplies of agricultural commodities in line with the requirements therefor, to improve distribution and expand exports of agricultural commodities, to liberalize and extend farm credit services, to protect the interest of consumers, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Agricultural Act of 1961".

Agricultural Act of 1961.

TITLE II—AGRICULTURAL TRADE DEVELOPMENT

SEC. 201. Title I of the Agricultural Trade Development and Assistance Act of 1954, as amended, is further amended as follows:

(1) Section 101 is amended by adding at the end thereof a new subsection to read as follows:

68 Stat. 455. 7 USC 1701.

"(f) obtain rates of exchange applicable to the sales of commodities under such agreements which are not less favorable than the rates at which United States Government agencies can buy currencies from the United States disbursing officers in the respective countries."

(2) Effective January 1, 1962, section 103(b) is amended to read as follows:

73 Stat. 608, Ante, p. 64. 7 USC 1703.

"(b) Agreements shall not be entered into under this title during the period beginning January 1, 1962, and ending December 31, 1964, which will call for appropriations to reimburse the Commodity Credit Corporation in a total amount in excess of $4,500,000,000: *Provided*, That agreements shall not be entered into during any calendar year of such period which will call for appropriations to reimburse Commodity Credit Corporation in amounts in excess of $2,500,000,000."

(3) Section 104 is amended—

68 Stat. 456. 7 USC 1704.

(a) by inserting after the words "foreign currencies" in the introductory clause, the following: ", including principal and interest from loan repayments,";

(b) by striking out in the final proviso in such section the language beginning with the words "for the purpose" and ending with the words "specified in" and inserting in lieu thereof the words "pursuant to";

73 Stat. 607. (c) by adding after subsection (r) the following new subsection (s):

"(s) For the sale for dollars to American tourists under such terms and conditions as the President may prescribe;";

(d) by inserting in the second sentence of subsection (a) after the word "made" where it first appears the words "each year" and after the word "be" where it first appears the words "set aside in the amounts and kinds of foreign currencies specified by the Secretary of Agriculture and"; and by striking out from the third sentence of subsection (a) the words "Particular regard shall be given to provide" and inserting in lieu thereof the words "Provision shall be made"; and by striking out from the third sentence of subsection (a) the word "may" and inserting in lieu thereof the words "the Secretary of Agriculture determines to"; and by inserting in the third sentence after the word "thereof" the following: "(not less than 2 per centum)"; and by inserting after the third sentence a new sentence as follows: "Such sums shall be converted into the types and kinds of foreign currencies as the Secretary deems necessary to carry out the provisions of this subsection and such sums shall be deposited to a special Treasury account and shall not be made available or expended except for carrying out the provisions of this subsection"; and by striking out from the last sentence of subsection (a) the words "agreements may be entered into" and by inserting in lieu thereof "the Secretary of Agriculture is authorized and directed to enter into agreements".

68 Stat. 457. 7 USC 1706. (4) The first sentence of section 106 is amended by striking out "or may reasonably be expected to be" and inserting "at the time of exportation or donation".

73 Stat. 606. 7 USC 1709. (5) Section 109 is amended by striking out "1961" and substituting "1964".

SEC. 202. Title II of the Agricultural Trade Development and Assistance Act of 1954, as amended, is further amended as follows:

68 Stat. 458; 73 Stat. 606. 7 USC 1723. (1) Section 203 is amended (a) by deleting the first sentence and substituting the following: "Programs of asssistance shall not be undertaken under this title during any calendar year beginning January 1, 1961, and ending December 31, 1964, which call for appropriations of more than $300,000,000 to reimburse the Commodity Credit Corporation for all costs incurred in connection with such programs (including the Corporation's investment in commodities made available), plus any amount by which programs of asssistance undertaken in the preceding calendar year have called or will call for appropriations to reimburse the Commodity Credit Corporation in amounts less than were authorized for such purpose during such preceding year by this title as in effect during such preceding year."; and (b) by deleting "such" the first time it appears in the second sentence.

73 Stat. 606. 7 USC 1724. (2) Section 204 is amended by striking out "1961" and substituting "1964".

SEC. 203. In the conduct of foreign market development programs, the Secretary of Agriculture is authorized to credit contributions from individuals, firms, associations, agencies, and other groups, and the proceeds received from space rentals, and sales of products and materials at exhibitions, to the appropriations charged with the cost of acquiring such space, products, and materials.

Approved August 8, 1961, 10:00 a.m.

(Extract from)

Public Law 87-195
87th Congress, S. 1983
September 4, 1961

An Act

To promote the foreign policy, security, and general welfare of the United States by assisting peoples of the world in their efforts toward economic development and internal and external security, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

PART IV

SEC. 704. Section 104(e) of the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1704(e)), is amended by substituting "such agency as the President shall direct" and "agency" for "the Export-Import Bank" and "bank", respectively. 68 Stat. 456; 71 Stat. 345.

Approved September 4, 1961.

(Extract From)

Public Law 87-703
87th Congress, H. R. 12391
September 27, 1962

An Act

To improve and protect farm income, to reduce costs of farm programs to the Federal Government, to reduce the Federal Government's excessive stocks of agricultural commodities, to maintain reasonable and stable prices of agricultural commodities and products to consumers, to provide adequate supplies of agricultural commodities for domestic and foreign needs, to conserve natural resources, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Food and Agriculture Act of 1962". Food and Agriculture Act of 1962.

TITLE II—AGRICULTURAL TRADE DEVELOPMENT

SEC. 201. Title IV of the Agricultural Trade Development and Assistance Act of 1954, as amended, is further amended as follows: 73 Stat. 610.

(1) Section 401 is amended by adding at the end thereof the following new sentence: "It is also the purpose of this title to stimulate and increase the sale of surplus agricultural commodities for dollars through long-term supply agreements and through 7 USC 1731-1736. 7 USC 1731.

98-287 O - 73 - pt. 2 - 6

the extension of credit for the purchase of such commodities, by agreements either with friendly nations or with the private trade, thereby assisting the development of the economies of friendly nations and maximizing dollar trade.

73 Stat. 610.
7 USC 1732.

(2) Section 402 is amended—

(a) by inserting ", including financial institutions acting in behalf of such nations," after the words "friendly nations"; and

(b) by adding at the end thereof the following: "In furtherance of the purpose of maximizing dollar sales through the private trade, the Secretary of Agriculture is authorized to enter into sales agreements with foreign and United States private trade under which he shall undertake to provide for the delivery of surplus agricultural commodities over such periods of time and under the terms and conditions set forth in this title. Any agreement entered into hereunder with the private trade shall provide for the furnishing of such security as the Secretary determines necessary to provide reasonable and adequate assurance of payment of the amount due for agricultural commodities sold pursuant to such agreement."

7 USC 1733.

(3) Section 403 is amended—

(a) by deleting the words "approximately equal" from the last sentence thereof and substituting therefor the word "reasonable"; and

(b) by inserting after the word "agreement" in the last sentence thereof the following: ", except that the date for beginning such annual payment may be deferred for a period not later than two years after such date of last delivery,".

7 USC 1735.

(4) Section 405 is amended to read as follows:

"SEC. 405. In the case of such agreements, the Secretary may enter into agreements with other friendly and historic supplying nations of such commodities for their participation in the supply and assistance program herein authorized on a proportionate and equitable basis.

7 USC 1736.

(5) Section 406 is amended by inserting after the word "sections" the following: "101 (b) and (c),".

68 Stat. 458.
7 USC 1431.

SEC. 202. Section 416 of the Agricultural Act of 1949, as amended, is further amended by inserting in clause (4) after the words "needy persons" the words "and in nonprofit school lunch programs".

76 Stat. 609.
7 USC 1697.

SEC. 203. Section 308 of the Agricultural Trade Development and Assistance Act of 1954, as amended, is further amended by inserting after the words "needy persons" the words "and in nonprofit school lunch programs".

SEC. 204. Section 9 of the Act of September 6, 1958 (Public Law 85–931), is amended by inserting after the words "needy persons" the words "and in nonprofit school lunch programs".

72 Stat. 1792.
7 USC 1431b.

SEC. 205. In any school feeding programs undertaken hereafter outside the United States pursuant to section 416 of the Agricultural Act of 1949, as amended, section 308 of Public Law 480 (83d Congress), as amended, and section 9 of the Act of September 6, 1958, as amended, the Secretary shall receive assurances satisfactory to him that, insofar as practicable, there will be student participation in the financing of such programs on the basis of ability to pay, and such programs shall be undertaken with the understanding that commodities will be available for those programs only in accordance with the provisions of such statutes and that commodities made available under section 416 of the Agricultural Act of 1949, as amended, will be available only in accordance with the priorities established in such section.

Approved September 27, 1962, 1:00 p.m.

(Extract from)

Public Law 88-205
88th Congress, H. R. 7885
December 16, 1963

An Act

To amend further the Foreign Assistance Act of 1961, as amended, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Foreign Assistance Act of 1963". Foreign Assistance Act of 1963.

PART IV—AMENDMENTS TO OTHER LAWS

SEC. 403. The Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1691 et seq.), is amended as follows:

(a) Section 101(f) is amended to read as follows:

"(f) obtain rates of exchange applicable to the sale of commodities under such agreements which are not less favorable than the highest of exchange rates legally obtainable from the Government or agencies thereof in the respective countries."

(b) Section 105 is amended by adding at the end thereof the following new sentence: "The President shall utilize foreign currencies received pursuant to this title in such manner as will, to the maximum extent possible, reduce any deficit in the balance of payments of the United States."

(c)(1) Section 106 is amended by adding at the end thereof a new sentence as follows: "For the purposes of this title and title IV, the term 'surplus agricultural commodity' shall include any domestically produced fishery product (not including fish flour until approved by the Food and Drug Administration) if the Secretary of the Interior has determined that such product is at the time of exportation in excess of domestic requirements, adequate carryover, and anticipated exports for dollars."

(2) The amendment made by paragraph (1) of this subsection shall not be effective for purposes of title I of the Agricultural Trade Development and Assistance Act of 1954, as amended, until January 1, 1965.

(d) Section 202 is amended by striking out "economic development" and inserting in lieu thereof "economic and community development".

Approved December 16, 1963.

Public Law 88-550
88th Congress, H. R. 11846
August 31, 1964

An Act

78 STAT. 755.

To amend the Act of August 19, 1958, to permit purchase of processed food grain products in addition to purchase of flour and cornmeal and donating the same for certain domestic and foreign purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act of August 19, 1958, is amended to read as follows:

Agriculture.
Processed food grain products, purchase.
72 Stat. 635.
7 USC 1431 note.

"That at any time Commodity Credit Corporation has any grain available for donation pursuant to clause (3) or (4) of section 416 of the Agricultural Act of 1949, as amended, section 210 of the Agricultural Act of 1956, or title II of the Agricultural Trade Development and Assistance Act, as amended, the Corporation, in lieu of processing all or any part of such grain into human food products, may purchase such processed food products in quantities not to exceed the equivalent of the respective grain available for donation on the date of such purchase and donate such processed food products pursuant to clause (3) or (4) of such section 416, and to such section 210, and make such processed food products available to the President pursuant to such title II, and may sell, without regard to the provisions of section 407 of the Agricultural Act of 1949, as amended, a quantity of the grain equivalent to the processed food products so purchased: *Provided*, That no food product purchased pursuant to the authority contained herein shall constitute less than 50 per centum by weight of the grain from which processed, or contain any additive other than for normal vitamin enrichment, preservative, and bleaching purposes."

7 USC 1431.
7 USC 1859.
7 USC 1721-1724.

7 USC 1427.

Approved August 31, 1964.

LEGISLATIVE HISTORY:

HOUSE REPORT No. 1748 (Comm. on Agriculture).
SENATE REPORT No. 1446 accompanying S. 2634 (Comm. on Agriculture and Forestry).
CONGRESSIONAL RECORD, Vol. 110 (1964):
Aug. 17: Passed House.
Aug. 20: Considered and passed Senate, in lieu of S. 2634.

Public Law 88-638
88th Congress, S. 2687
October 8, 1964

An Act

78 STAT. 1035.

To extend the Agricultural Trade Development and Assistance Act of 1954, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Agricultural Trade Development and Assistance Act of 1954, as amended, is further amended as follows:

Agricultural Trade Development and Assistance Act of 1954, amendments. 75 Stat. 306. 7 USC 1701.

(1) Section 101 of such Act is amended by striking out in subsection (f) the words "from the government or agencies thereof" and further by striking the period at the end of subsection (f) and adding the following: ", and which are not less favorable than the highest of exchange rates obtainable by any other nation.".

(2) Section 101 of such Act is amended by adding at the end thereof the following new subsection:

"(g) require such foreign currencies to be convertible to dollars to the extent consistent with the effectuation of the purpose of this Act, but in any event to the extent necessary to permit that portion of such currencies made available for payment of United States obligations to be used to meet obligations or charges payable by the United States or any of its agencies to the government of the importing country or any of its agencies."

Ocean freight charges. 69 Stat. 44. 7 USC 1702.

(3) Section 102(a) of such Act is amended by adding at the end thereof the following: "The Commodity Credit Corporation shall finance ocean freight charges incurred pursuant to agreements entered into after December 31, 1964, only to the extent that such charges are higher (than would otherwise be the case) by reason of a requirement that the commodities be transported in United States flag vessels. Such agreements shall require the balance of such charges for transportation in United States vessels to be paid in dollars by the nations or organizations with whom such agreements are entered into."

68 Stat. 456.

(4) Section 103(a) of such Act is amended by adding at the end thereof the following: "In presenting his budget, the President shall classify expenditures under this Act as expenditures for international affairs and finance rather than for agriculture and agricultural resources."

75 Stat. 306.

(5) Effective January 1, 1965, section 103(b) of such Act is amended to read as follows:

"(b) Agreements shall not be entered into under this title during the period beginning January 1, 1965, and ending December 31, 1966, which will call for appropriations to reimburse the Commodity Credit Corporation in a total amount in excess of $2,700,000,000 plus any amount by which agreements entered into in prior years have called or will call for appropriations to reimburse the Commodity Credit Corporation in amounts less than authorized for such prior years by this Act as in effect during such years: *Provided*, That agreements shall not be entered into during any calendar year of such period which will call for appropriations to reimburse the Commodity Credit Corporation in amounts in excess of $2,500,000,000."

7 USC 1704.

(6) Section 104 of such Act is amended by striking out in subsection (c) the word "military" and inserting after the words "common defense" the words "including internal security".

Private business loans. Limitations removed.

(7) Section 104 of such Act is amended by striking from subsection (e) the words "not more than 25 per centum of the currencies received pursuant to each such agreement shall be available" and substituting "currencies shall also be available to the maximum usable extent."

78 STAT. 1036.

7 USC 1704.

(8) Section 104 is amended by adding at the end thereof the following:

Advisory committee, establishment.

"There is hereby established an advisory committee composed of the Secretary of Agriculture, the Director of the Bureau of the Budget, the Administrator of the Agency for International Development, the chairman and the ranking minority member of the House Committee on Agriculture, and the chairman and the ranking minority member of the Senate Committee on Agriculture and Forestry. Such Committee shall review from time to time the status and usage of foreign currencies which accrue under this title, and shall make recommendations to the President as to ways and means of assuring to the United States (1) the maximum benefit from the use of such currencies, making special reference to any such currencies which are excess to the normal requirements of United States agencies, and (2) the maximum return from sales made under this title. Such Committee shall make such other recommendations for improving this Act and its administration as such Committee may deem fit.

Uses of foreign currencies, review.

"The committee shall be consulted with respect to: (1) policies relating to (a) loans under subsections (e) and (g) hereof, (b) the degree of convertibility to be required under section 101(g), and (c) the amount of currency to be reserved in sales agreements for loans to private industry under subsection (e) hereof; and (2) each proposal to establish an interest rate for dollar sales under title IV higher than the minimum provided in section 403.

Transmittal of proposal to congressional committees.

"No agreement or proposal to grant any foreign currencies (except as provided in subsection (c) of this section), or to use (except pursuant to appropriation Act) any principal or interest from loan repayments under this section, shall be entered into or carried out until the expiration of thirty days following the date on which such agreement or proposal is transmitted by the President to the Senate Committee on Agriculture and Forestry and to the House Committee on Agriculture, if transmitted while Congress is in session, or sixty days following the date of transmittal if transmitted while Congress is not in session, and then only if, between the date of transmittal and the expiration of such period there has not been passed by either of the two Committees a resolution stating in substance that that Committee does not favor such agreement or proposal."

(9) The first proviso at the end of section 104 of such Act is amended by striking out the colon at the end thereof and inserting "pursuant to agreements entered into on or before December 31, 1964 and to not less than 20 per centum in the aggregate of the foreign currencies which accrue pursuant to agreements entered into thereafter:".

(10) Section 104 of such Act is amended by adding at the end thereof the following: "Any loan made under the authority of this section shall bear interest at such rate as the President may determine but not less than the cost of funds to the United States Treasury, taking into consideration the current average market yields on outstanding marketable obligations of the United States having maturity comparable to the maturity of such loans, unless the President shall in specific instances upon the recommendation of the advisory committee herein established designate a different rate."

"Friendly notion."
68 Stat. 457.
7 USC 1707.

(11) Section 107 of such Act is amended by inserting before the period at the end thereof a comma and the following: "or (3) for the purpose only of title I any nation or area dominated or controlled by a Communist government, or (4) for the purpose only of title I any nation which permits ships or aircraft under its registry to transport to or from Cuba (excluding United States installations in Cuba) any equipment, materials, or commodities, so long as Cuba is governed by the Castro regime. Notwithstanding any other Act, the President is

authorized to enter into agreements for the sale of surplus agricultural commodities for dollars under title IV with nations which fall within the definition of 'friendly nation' for the purpose of that title. In the case of any such agreement which would be prohibited by any other Act but for the foregoing sentence the maximum payment period shall be five years, instead of twenty years."

"The President is directed that no sales under this Act shall be made with any country if he finds such country is (a) an aggressor, in a military sense, against any country having diplomatic relations with the United States, or (b) using funds, of any sort, from the United States for purposes inimical to the foreign policies of the United States".

(12) Section 108 of such Act is amended by striking out the words "six months" and inserting in lieu thereof the word "year". 7 USC 1708.

(13) Section 203 of such Act is amended (i) by striking out "1961" and substituting "1965"; (ii) by striking out "1964" and substituting "1966"; (iii) by striking out "$300,000,000", and substituting "$400,000,000"; and (iv) by inserting after "charges for general average contributions arising out of the ocean transport of commodities transferred pursuant hereto" the following: "or donated under said section 416, section 308 of this Act or section 9 of the Act of September 6, 1958 (72 Stat. 1790)". Clauses (i), (ii), and (iii) hereof shall not become effective until January 1, 1965. Famine relief, etc. 75 Stat. 307. 7 USC 1723. 68 Stat. 458. 7 USC 1431. 73 Stat. 609.

(14) Section 203 of the Act is amended by inserting after the third sentence of said section the following new sentence: "In addition to other funds available for such purposes under any other Act, funds made available under this title may be used in an amount not exceeding $7,500,000 annually to purchase foreign currencies accruing under title I in order to meet costs (except the personnel and administrative costs of cooperating sponsors, distributing agencies, and recipient agencies, and the costs of construction or maintenance of any church owned or operated edifice or any other edifices to be used for sectarian purposes) designed to assure that commodities made available under this title or under title III are used to carry out more effectively the purposes for which such commodities are made available or to promote community and other self-help activities designed to alleviate the causes of the need for such assistance: *Provided, however*, That such funds shall be used only to supplement and not substitute for, funds normally available for such purposes from other non-United States Government sources."; and by inserting after the word "costs" in the last sentence the words "or for the purchase of foreign currencies". 7 USC 1697. 7 USC 1431b.

(15) Sections 109 and 204 of such Act are amended by striking out "1964" and inserting "1966". 7 USC 1709, 1724.

(16) Clause (1) of section 304(a) of such Act is amended by inserting after the words "Union of Soviet Socialist Republics" the words "or the Communist regime in China". 71 Stat. 345. 7 USC 1693.

(17) The first sentence of section 403 of such Act is amended to read as follows: "Payment for such commodities shall be in dollars with interest at such rate as the Secretary may determine but not less than the minimum rate required by section 201 of the Foreign Assistance Act of 1961 for loans made under that section." 73 Stat. 610. 7 USC 1733.

SEC. 2. Subsection (b) of section 612 of the Foreign Assistance Act of 1961, as amended, is amended (1) by redesignating it as subsection (t) of section 104 of the Agricultural Trade Development and Assistance Act of 1954, as amended. Foreign currency sales. 77 Stat. 385. 22 USC 2362. 7 USC 1704.

(2) By inserting after the subsection designation the following: "For sale to United States citizens as provided herein.";

(3) By striking "this Act" and substituting "the Foreign Assistance Act of 1961, as amended.";

(4) By changing the period at the end of the subsection to a comma and adding "except that in the case of any such foreign currencies acquired through operations under title I of the Agricultural Trade Development and Assistance Act of 1954, as amended, the United States dollars received from the sale of such foreign currencies shall be deposited to the account of the Commodity Credit Corporation and shall be treated as a reimbursement to Commodity Credit Corporation under section 105 of this Act."

7 USC 1705.
Long staple cotton, exportation.

SEC. 3. Notwithstanding any other provision of law, the Commodity Credit Corporation, in order to encourage exports of extra long staple cotton which is in surplus supply at competitive world prices, is directed to offer for sale, whenever extra long staple cotton is in surplus supply, any extra long staple cotton owned by it (except stocks released from the stockpile established pursuant to the Strategic and Critical Materials Stock Piling Act, as amended) at prices not in excess of the prices at which cotton of comparable quality is being offered by other exporting countries, on condition that such cotton be exported or that an equal quantity of extra long staple cotton will be exported within the period specified by the Secretary of Agriculture. The Commodity Credit Corporation may accept bids in excess of the maximum prices specified herein but shall not reject bids at such maximum prices unless a higher bid is received for the same cotton. The Secretary of Agriculture shall make a determination of the amount, if any, of extra long staple cotton which is in surplus supply for the 1964–65 marketing year not later than thirty days after the effective date of this section and for each succeeding marketing year not later than thirty days prior to the beginning of each such marketing year. Extra long staple cotton shall be deemed to be in surplus supply whenever the Secretary of Agriculture determines that the total supply of such cotton (under the formula for determining the "Total supply" of cotton specified in Section 301(b)(16)(C) of the Agricultural Adjustment Act of 1938, as amended, but not including cotton released from such stockpile) is in excess of estimated domestic consumption and estimated exports of such cotton excluding estimated exports made under the authority of this section, plus an allowance for carryover equal to fifty per centum of such estimated consumption and exports. Exports hereunder shall be excluded in making any determination with respect to national marketing quotas under the Agricultural Adjustment Act of 1938, as amended. Nothing herein shall preclude the Corporation from accepting bids which may be made at higher than world prices.

60 Stat. 596.
50 USC 98 note.

63 Stat. 876.
7 USC 1301.

53 Stat. 31.
7 USC 1281.

68 Stat. 458.
7 USC 1431.

SEC. 4. Section 416 of the Agricultural Act of 1949, as amended, is amended by adding the following at the end of such section: "The assistance to needy persons provided in (4) above shall, insofar as practicable, be directed toward community and other self-help activities designed to alleviate the causes of the need for such assistance.".

Approved October 8, 1964.

(over)

LEGISLATIVE HISTORY:

HOUSE REPORTS: No. 1767, 1767 pt 2, accompanying H. R. 12298 (Comm. on Agriculture) and No. 1897 (Comm. of Conference).
SENATE REPORT No. 1467 (Comm. on Agriculture & Forestry).
CONGRESSIONAL RECORD, Vol. 110 (1964):
Aug. 19: Considered and passed Senate.
Sept. 3: Considered and passed House, amended, in lieu of H. R. 12298.
Sept.23: House agreed to conference report; Senate considered conference report.
Sept.24: Senate agreed to conference report.

(Extract from)

Public Law 89-106
89th Congress, H. R. 5508
August 4, 1965

An Act

79 STAT. 431.

To facilitate the work of the Department of Agriculture, and for other purposes.

SEC. 5. Section 104(a) of the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1704), is further amended by inserting, after the word "*Provided*,", the following: "That the Secretary of Agriculture may release such amounts of the foreign currencies so set aside as he determines not to be needed, within a reasonable period of time, for such purpose: *Provided further*,".

Approved August 4, 1965.

LEGISLATIVE HISTORY:

HOUSE REPORT No. 206 (Comm. on Agriculture).
SENATE REPORT No. 506 (Comm. on Agriculture & Forestry).
CONGRESSIONAL RECORD, Vol. 111 (1965):
Apr. 5: Considered and passed House.
July 23: Considered and passed Senate.

(Extract from)

Public Law 89-171
89th Congress, H. R. 7750
September 6, 1965

An Act

79 STAT. 653

To amend further the Foreign Assistance Act of 1961, as amended, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Foreign Assistance Act of 1965". Foreign Assistance Act of 1965.

CHAPTER 4—AMENDMENT TO THE AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954

SEC. 401. Section 107 of the Agricultural Trade Development and Assistance Act of 1954 is amended by adding at the end thereof the following new paragraph:

68 Stat. 457; 78 Stat. 1036. 7 USC 1707. Sales to United Arab Republic, restriction. 7 USC 1701-1709. Report to Congress.

"No sale under title I of this Act shall be made to the United Arab Republic unless the President determines that such sale is essential to the national interest of the United States. No such sale shall be based on the requirements of the United Arab Republic for more than one fiscal year. The President shall keep the Foreign Relations Committee and the Appropriations Committee of the Senate and the Speaker of the House of Representatives fully and currently informed with respect to sales made to the United Arab Republic under title I of this Act."

Approved September 6, 1965.

LEGISLATIVE HISTORY:

HOUSE REPORTS: No. 321 (Comm. on Foreign Affairs)
and No. 811 (Comm. of Conference).
SENATE REPORT No. 170 accompanying S. 1837 (Comm. on Foreign Relations).
CONGRESSIONAL RECORD, Vol. 111 (1965):
May 24: Considered in House.
May 25: Considered and passed House.
June 4, 7-11: Considered in Senate.
June 14: Considered and passed Senate, amended, in lieu of S. 1837.
Aug. 19: House agreed to conference report.
Aug. 24: Senate agreed to conference report.

(Extract from)

Public Law 89-583
89th Congress, H. R. 15750
September 19, 1966

An Act

To amend further the Foreign Assistance Act of 1961, as amended, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Foreign Assistance Act of 1966". Foreign Assistance Act of 1966.

PART III

CHAPTER 1—GENERAL PROVISIONS

SEC. 301. Chapter 1 of part III of the Foreign Assistance Act of 1961, as amended, which relates to general provisions, is amended as follows:

(b) Section 604, which relates to procurement, is amended as follows:

(1) Subsection (c), which relates to procurement of agricultural commodities, is amended by striking out the word "surplus" each time it appears and by inserting "or product thereof available for disposition under the Agricultural Trade Development and Assistance Act of 1954, as amended," after the word "commodity" the first time it appears. 75 Stat. 439. 22 USC 2354. 68 Stat. 454. 7 USC 1691 note.

(2) Add the following new subsection:

"(e) No funds made available under this Act shall be used for the procurement of any agricultural commodity or product thereof outside the United States when the domestic price of such commodity is less than parity."

Approved September 19, 1966.

LEGISLATIVE HISTORY:

HOUSE REPORTS: No. 1651 (Comm. on Foreign Affairs) and No. 1927 (Comm. of Conference).
SENATE REPORT No. 1359 accompanying S. 3584 (Comm. on Foreign Relations).
CONGRESSIONAL RECORD, Vol. 112 (1966):
July 12, 13: Considered in House.
July 14: Considered and passed House.
July 18-22, 25, 26: S. 3584 considered in Senate.
July 26: H. R. 15750 passed Senate, amended, in lieu of S. 3584.
Sept. 1: House agreed to conference report.
Sept. 7: Senate agreed to conference report.

Public Law 89-808
89th Congress, H. R. 14929
November 11, 1966

An Act

80 STAT. 1526

To promote international trade in agricultural commodities, to combat hunger and malnutrition, to further economic development, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Food for Peace Act of 1966". Food for Peace Act of 1966.

SEC. 2. The Agricultural Trade Development and Assistance Act of 1954, as amended, is amended—

(A) By amending section 2 to read as follows: 68 Stat. 454. 7 USC 1691.

"SEC. 2. The Congress hereby declares it to be the policy of the United States to expand international trade; to develop and expand export markets for United States agricultural commodities; to use the abundant agricultural productivity of the United States to combat hunger and malnutrition and to encourage economic development in the developing countries, with particular emphasis on assistance to those countries that are determined to improve their own agricultural production; and to promote in other ways the foreign policy of the United States." Declaration of policy.

(B) By amending title I to read as follows: 7 USC 1701-1709.

"TITLE I

"SEC. 101. In order to carry out the policies and accomplish the objectives set forth in section 2 of this Act, the President is authorized to negotiate and carry out agreements with friendly countries to provide for the sale of agricultural commodities for dollars on credit terms or for foreign currencies.

"SEC. 102. For the purpose of carrying out agreements concluded under this Act the Commodity Credit Corporation is authorized to finance the sale and exportation of agricultural commodities whether from private stocks or from stocks of the Commodity Credit Corporation.

"SEC. 103. In exercising the authorities conferred upon him by this title, the President shall—

"(a) take into account efforts of friendly countries to help themselves toward a greater degree of self-reliance, including efforts to meet their problems of food production and population growth;

"(b) take steps to assure a progressive transition from sales for foreign currencies to sales for dollars (or to the extent that transition to sales for dollars under the terms applicable to such sales is not possible, transition to sales for foreign currencies on credit terms no less favorable to the United States than those for development loans made under section 201 of the Foreign Assistance Act of 1961, as amended, and on terms which permit conversion to dollars at the exchange rate applicable to the sales agreement) at a rate whereby the transition can be completed by December 31, 1971: *Provided*, That provision may be included in any agreement for payment in foreign currencies to the extent that the President determines that such currencies are needed for the purpose of subsections (a), (b), (c), (e), and (h) of section 104; 75 Stat. 426; Ante, p. 796. 22 USC 2161.

"(c) take reasonable precautions to safeguard usual marketings of the United States and to assure that sales under this title will not unduly disrupt world prices of agricultural commodities or normal patterns of commercial trade with friendly countries;

Reports to Congress.

"Friendly country," exclusions.

Publication in Federal Register.

"(d) make sales agreements only with those countries which he determines to be friendly to the United States: *Provided*, That the President shall periodically review the status of those countries which are eligible under this subsection and report the results of such review to the Congress. As used in this Act, 'friendly country' shall not include (1) any country or area dominated or controlled by a foreign government or organization controlling a world Communist movement, or (2) for the purpose only of sales of agricultural commodities for foreign currencies under title I of this Act, any country or area dominated by a Communist government, or (3) for the purpose only of sales of agricultural commodities under title I of this Act, any nation which sells or furnishes or permits ships or aircraft under its registry to transport to or from Cuba or North Vietnam (excluding United States installations in Cuba) any equipment, materials, or commodities so long as they are governed by a Communist regime: *Provided*, That with respect to furnishing, selling, or selling and transporting to Cuba medical supplies, non-strategic raw materials for agriculture, and non-strategic agricultural or food commodities, sales agreements may be entered into if the President finds with respect to each such country, and so informs the Senate and the House of Representatives of the reasons therefor, that the making of each such agreement would be in the national interest of the United States and all such findings and reasons therefor shall be published in the Federal Register, or (4) for the purposes only of sales under title I of this Act the United Arab Republic, unless the President determines that such sale is in the national interest of the United States. No sales to the United Arab Republic shall be based upon the requirements of that nation for more than one fiscal year. The President shall keep the President of the Senate and the Speaker of the House of Representatives fully and currently informed with respect to sales made to the United Arab Republic under title I of this Act. Notwithstanding any other Act, the President may enter into agreements for the sale of argicultural commodities for dollars on credit terms under title I of this Act with countries which fall within the definition of 'friendly country' for the purpose of such sales and no sales under this Act shall be made with any country if the President finds such country is (a) an aggressor, in a military sense, against any country having diplomatic relations with the United States, or (b) using funds, of any sort, from the United States for purposes inimical to the foreign policies of the United States;

"(e) take appropriate steps to assure that private trade channels are used to the maximum extent practicable both with respect to sales from privately owned stocks and with respect to sales from stocks owned by the Commodity Credit Corporation and that small business has adequate and fair opportunity to participate in sales made under the authority of this Act;

"(f) give special consideration to the development and expansion of foreign markets for United States agricultural commodities, with appropriate emphasis on more adequate storage, handling, and food distribution facilities as well as long-term development of new and expanding markets by encouraging economic growth;

"(g) obtain commitments from purchasing countries that will prevent resale or transshipment to other countries, or use for other than domestic purposes, of agricultural commodities purchased under this title, without specific approval of the President;

"(h) obtain rates of exchange applicable to the sale of commodities under such agreements which are not less favorable than the highest of exchange rates legally obtainable in the respective countries and which are not less favorable than the highest of exchange rates obtainable by any other nation;

"(i) promote progress toward assurance of an adequate food supply by encouraging countries with which agreements are made to give higher emphasis to the production of food crops than to the production of such nonfood crops as are in world surplus;

"(j) exercise the authority contained in title I of this Act to assist friendly countries to be independent of domination or control by any world Communist movement. Nothing in this Act shall be construed as authorizing sales agreements under title I with any government or organization controlling a world Communist movement or with any country with which the United States does not have diplomatic relations;

"(k) whenever practicable require upon delivery that not less than 5 per centum of the purchase price of any agricultural commodities sold under title I of this Act be payable in dollars or in the types or kinds of currencies which can be converted into dollars;

"(l) obtain commitments from friendly purchasing countries that will insure, insofar as practicable, that food commodities sold for foreign currencies under title I of this Act shall be marked or identified at point of distribution or sale as being provided on a concessional basis to the recipient government through the generosity of the people of the United States of America, and obtain commitments from purchasing countries to publicize widely to their people, by public media and other means, that the commodities are being provided on a concessional basis through the friendship of the American people as food for peace;

"(m) require foreign currencies to be convertible to dollars to the extent consistent with the effectuation of the purposes of this Act, but in any event to the extent necessary to (1) permit that portion of such currencies made available for payment of United States obligations to be used to meet obligations or charges payable by the United States or any of its agencies to the government of the importing country or any of its agencies, and (2) in the case of excess currency countries, assure convertibility by sale to American tourists, or otherwise, of such additional amount (up to twenty-five per centum of the foreign currencies received pursuant to each agreement entered into after the effective date of the Food for Peace Act of 1966) as may be necessary to cover all normal expenditures of American tourists in the importing country;

"(n) take maximum precautions to assure that sales for dollars on credit terms under this Act shall not displace any sales of United States agricultural commodities which would otherwise be made for cash dollars.

Uses of foreign currencies.

"SEC. 104. Notwithstanding any other provision of law, the President may use or enter into agreements with foreign countries or international organizations to use the foreign currencies, including principal and interest from loan repayments, which accrue in connection with sales for foreign currencies under this title for one or more of the following purposes:

"(a) For payment of United States obligations (including obligations entered into pursuant to other legislation);

"(b) For carrying out programs of United States Government agencies to—

"(1) help develop new markets for United States agricultural commodities on a mutually benefitting basis. From sale proceeds and loan repayments under this title not less than the equivalent of 5 per centum of the total sales made each year under this title shall be set aside in the amounts and kinds of foreign currencies specified by the Secretary of Agriculture and made available in advance for use as provided by this paragraph over such period of years as the Secretary of Agriculture determines will most effectively carry out the purpose of this paragraph: *Provided*, That the Secretary of Agriculture may release such amounts of the foreign currencies so set aside as he determines cannot be effectively used for agricultural market development purposes under this section, except that no release shall be made until the expiration of thirty days following the date on which notice of such proposed release is transmitted by the President to the Senate Committee on Agriculture and Forestry and to the House Committee on Agriculture, if transmitted while Congress is in session, or sixty days following the date of transmittal if transmitted while Congress is not in session. Provision shall be made in sale and loan agreements for the convertibility of such amount of the proceeds thereof (not less than 2 per centum) as the Secretary of Agriculture determines to be needed to carry out the purpose of this paragraph in those countries which are or offer reasonable potential of becoming dollar markets for United States agricultural commodities. Such sums shall be converted into the types and kinds of foreign currencies as the Secretary deems necessary to carry out the provisions of this paragraph and such sums shall be deposited to a special Treasury account and shall not be made available or expended except for carrying out the provisions of this paragraph. Notwithstanding any other provision of law, if sufficient foreign currencies for carrying out the purpose of this paragraph in such countries are not otherwise available, the Secretary of Agriculture is authorized and directed to enter into agreements with such countries for the sale of agricultural commodities in such amounts as the Secretary of Agriculture determines to be adequate and for the use of the proceeds to carry out the purpose of this paragraph. In carrying out agricultural market development activities, nonprofit agricultural trade organizations shall be utilized to the maximum extent practicable. The purpose of this paragraph shall include such representation of agricultural industries as may be required during the course of discussions on trade programs relating either to individual commodities or groups of commodities;

Notice of release of foreign currencies.

Transmittal to congressional committees.

Special Treasury account.

"(2) finance international educational and cultural exchange activities under the programs authorized by the Mutual Educational and Cultural Exchange Act of 1961 (22 U.S.C. 2451 et seq.);

75 Stat. 527.

"(3) collect, collate, translate, abstract, and disseminate scientific and technological information and conduct research and support scientific activities overseas including programs and projects of scientific cooperation between the United States and other countries such as coordinated research

against diseases common to all of mankind or unique to individual regions of the globe, and promote and support programs of medical and scientific research, cultural and educational development, family planning, health, nutrition, and sanitation:

"(4) acquire by purchase, lease, rental, or otherwise, sites and buildings and grounds abroad, for United States Government use including offices, residence quarters, community and other facilities, and construct, repair, alter, and furnish such buildings and facilities;

"(5) finance under the direction of the Librarian of Congress, in consultation with the National Science Foundation and other interested agencies, (A) programs outside the United States for the analysis and evaluation of foreign books, periodicals, and other materials to determine whether they would provide information of technical or scientific significance in the United States and whether such books, periodicals, and other materials are of cultural or educational significance, (B) the registry, indexing, binding, reproduction, cataloging, abstracting, translating, and dissemination of books, periodicals, and related materials determined to have such significance; and (C) the acquisition of such books, periodicals, and other materials and the deposit thereof in libraries and research centers in the United States specializing in the areas to which they relate;

"(c) To procure equipment, materials, facilities, and services for the common defense including internal security;

"(d) For assistance to meet emergency or extraordinary relief requirements other than requirements for food commodities: *Provided*, That not more than a total amount equivalent to $5,000,000 may be made available for this purpose during any fiscal year; Limitation.

"(e) For use to the maximum extent under the procedures established by such agency as the President shall designate for loans to United States business firms (including cooperatives) and branches, subsidiaries, or affiliates of such firms for business development and trade expansion in such countries, including loans for private home construction, and for loans to domestic or foreign firms (including cooperatives) for the establishment of facilities for aiding in the utilization, distribution, or otherwise increasing the consumption of, and markets for, United States agricultural products: *Provided, however*, That no such loans shall be made for the manufacture of any products intended to be exported to the United States in competition with products produced in the United States and due consideration shall be given to the continued expansion of markets for United States agricultural commodities or the products thereof. Foreign currencies may be accepted in repayment of such loans;

"(f) To promote multilateral trade and agricultural and other economic development, under procedures, established by the President, by loans or by use in any other manner which the President may determine to be in the national interest of the United States, particularly to assist programs of recipient countries designed to promote, increase, or improve food production, processing, distribution, or marketing in food-deficit countries friendly to the United States, for which purpose the President may utilize to the extent practicable the services of nonprofit voluntary agencies registered with and approved by the Advisory

Committee on Voluntary Foreign Aid: *Provided*, That no such funds may be utilized to promote religious activities;

"(g) For the purchase of goods or services for other friendly countries;

"(h) For financing, at the request of such country, programs emphasizing maternal welfare, child health and nutrition, and activities, where participation is voluntary, related to the problems of population growth, under procedures established by the President through any agency of the United States, or through any local agency which he determines is qualified to administer such activities;

"(i) for paying, to the maximum extent practicable, the costs outside the United States of carrying out the program authorized in section 406 of this Act; and

Post, p. 1536.

"(j) For sale for dollars to United States citizens and nonprofit organizations for travel or other purposes of currencies determined to be in excess of the needs of departments and agencies of the United States for such currencies. The United States dollars received from the sale of such foreign currencies shall be deposited to the account of Commodity Credit Corporation:

Provided, That—

68 Stat. 662. 31 USC 724.

"(1) Section 1415 of the Supplemental Appropriation Act, 1953, shall apply to currencies used for the purposes specified in subsections (a) and (b),

"(2) Section 1415 of the Supplemental Appropriation Act, 1953, shall apply to all foreign currencies used for grants under subsections (f) and (g), to not less than 10 per centum of the foreign currencies which accrue pursuant to agreements entered into on or before December 31, 1964, and to not less than 20 per centum in the aggregate of the foreign currencies which accrue pursuant to agreements entered into thereafter: *Provided, however*, That the President is authorized to waive such applicability of section 1415 in any case where he determines that it would be inappropriate or inconsistent with the purposes of this title,

Transmittal to congressional committees.

"(3) No agreement or proposal to grant any foreign currencies (except as provided in subsection (c) of this section), or to use (except pursuant to appropriation Act) any principal or interest from loan repayments under this section shall be entered into or carried out until the expiration of thirty days following the date on which such agreement or proposal is transmitted by the President to the Senate Committee on Agriculture and Forestry and to the House Committee on Agriculture, if transmitted while Congress is in session, or sixty days following the date of transmittal if transmitted while Congress is not in session,

"(4) Any loan made under the authority of this section shall bear interest at such rate as the President may determine but not less than the cost of funds to the United States Treasury, taking into consideration the current average market yields on outstanding marketable obligations of the United States having maturity comparable to the maturity of such loans, unless the President shall in specific instances after consultation with the advisory committee established under section 407 designate a different rate:

Provided, further, That paragraphs (2), (3), and (4) of the foregoing proviso shall not apply in the case of any nation where the foreign currencies or credits owned by the United States and available for use by it in such nation are determined by the Secretary of the Treasury to be in excess of the normal requirements of the departments and agencies of the United States for expenditures in such

nations for the two fiscal years following the fiscal year in which such determination is made. The amount of any such excess shall be devoted to the extent practicable and without regard to paragraph (1) of the foregoing proviso, to the acquisition of sites, buildings, and grounds under paragraph (4) of subsection (b) of this section and to assist such nation in undertaking self-help measures to increase its production of agricultural commodities and its facilities for storage and distribution of such commodities. Assistance under the foregoing provision shall be limited to self-help measures additional to those which would be undertaken without such assistance. Upon the determination by the Secretary of the Treasury that such an excess exists with respect to any nation, the President shall advise the Senate Committee on Agriculture and Forestry and the House Committee on Agriculture of such determination; and shall thereafter report to each such committee as often as may be necessary to keep such Committee advised as to the extent of such excess, the purposes for which it is used or proposed to be used, and the effects of such use.

Reports to congressional committees.

"SEC. 105. Foreign currencies received pursuant to this Act shall be deposited in a special account to the credit of the United States and shall be used only pursuant to section 104, and any department or agency of the Government using any of such currencies for a purpose for which funds have been appropriated shall reimburse the Commodity Credit Corporation in an amount equivalent to the dollar value of the currencies used. The President shall utilize foreign currencies received pursuant to this Act in such manner as will, to the maximum extent possible, reduce any deficit in the balance of payments of the United States.

Special account.

"SEC. 106. (a) Payment by any friendly country for commodities purchased for dollars on credit shall be upon terms as favorable to the United States as the economy of such country will permit. Payment for such commodities shall be in dollars with interest at such rates as the Secretary may determine but not less than the minimum rate required by section 201 of the Foreign Assistance Act of 1961 for loans made under that section. Payment may be made in reasonable annual amounts over periods of not to exceed twenty years from the date of the last delivery of commodities in each calendar year under the agreement, except that the date for beginning such annual payment may be deferred for a period not later than two years after such date of last delivery, and interest shall be computed from the date of such last delivery. Delivery of such commodities shall be made in annual installments for not more than ten years following the date of the sales agreement and subject to the availability of the commodities at the time delivery is to be made.

Dollar credit sales.

75 Stat. 426; Ante, p. 796. 22 USC 2161.

"(b) Agreements hereunder for the sale of agricultural commodities for dollars on credit terms shall include provisions to assure that the proceeds from the sale of the commodities in the recipient country are used for such economic development purposes as are agreed upon in the sales agreement or any amendment thereto.

"SEC. 107. (a) It is also the policy of the Congress to stimulate and maximize the sale of United States agricultural commodities for dollars through the private trade and to further the use of private enterprise to the maximum, thereby strengthening the development and expansion of foreign commercial markets for United States agricultural commodities. In furtherance of this policy, the Secretary of Agriculture is authorized, notwithstanding any other provision of law, to enter into agreements with foreign and United States private trade for financing the sale of agricultural commodities for export over

Private trade and enterprise.

such periods of time and on such credit terms as the Secretary determines will accomplish the objectives of this section. Any agreement entered into under this section shall provide for the development and execution of projects which will result in the establishment of facilities designed to improve the storage or marketing of agricultural commodities, or which will otherwise stimulate and expand private economic enterprise in any friendly country. Any agreement entered into under this section shall also provide for the furnishing of such security as the Secretary determines necessary to provide reasonable and adequate assurance of payment of the purchase price in dollars with interest at a rate which will as nearly as practicable be equivalent to the average cost of funds to the United States Treasury, as determined by the Secretary of the Treasury, on outstanding marketable obligations of the United States having maturities comparable to maturities of credits extended under this section. In no event shall the rate of interest be less than the minimum rate, or the delivery period, deferral of first payment, or term of credit be longer than the maximum term, authorized in section 106. In carrying out this Act, the authority provided in this section for making dollar sales shall be used to the maximum extent practicable.

"(b) In carrying out the provisions of this section, the Secretary shall take reasonable precautions to safeguard usual marketings of the United States and to avoid displacing any sales of United States agricultural commodities which the Secretary finds and determines would otherwise be made for cash dollars.

"(c) The Secretary shall obtain commitments from purchasers that will prevent resale or transshipment to other countries, or use for other than domestic purposes, of agricultural commodities purchased under this section.

"(d) In carrying out this Act, the provisions of sections 102, 103(a), 103(d), 103(e), 103(f), 103(j), 103(k), 110, 401, 402, 403, 404, 405, 407, 408, and 409 shall be applicable to sales under this section.

Ocean transportation costs.

"SEC. 108. The Commodity Credit Corporation may finance ocean freight charges incurred pursuant to agreements for sales for foreign currencies (other than those providing for conversion to dollars as described in section 103(b) of this Act) entered into hereunder only to the extent that such charges are higher (than would otherwise be the case) by reason of a requirement that the commodities be transported in United States-flag vessels. Such agreements shall require the balance of such charges for transportation in United States vessels to be paid in dollars by the nations or organizations with whom such agreements are entered into.

Self-help measures.

"SEC. 109. (a) Before entering into agreements with developing countries for the sale of United States agricultural commodities on whatever terms, the President shall consider the extent to which the recipient country is undertaking wherever practicable self-help measures to increase per capita production and improve the means for storage and distribution of agricultural commodities, including:

"(1) devoting land resources to the production of needed food rather than to the production of nonfood crops—especially nonfood crops in world surplus;

"(2) development of the agricultural chemical, farm machinery and equipment, transportation and other necessary industries through private enterprise;

"(3) training and instructing farmers in agricultural methods and techniques;

"(4) constructing adequate storage facilities;

"(5) improving marketing and distribution systems;

"(6) creating a favorable environment for private enterprise and investment, both domestic and foreign, and utilizing available technical know-how;

"(7) establishing and maintaining Government policies to insure adequate incentives to producers; and

"(8) establishing and expanding institutions for adaptive agricultural research; and

"(9) allocating for these purposes sufficient national budgetary and foreign exchange resources (including those supplied by bilateral, multilateral and consortium aid programs) and local currency resources (resulting from loans or grants to recipient governments of the proceeds of local currency sales).

"(b) Notwithstanding any other provisions of this Act, in agreements with nations not engaged in armed conflict against Communist forces or against nations with which the United States has no diplomatic relations, not less than 20 per centum of the foreign currencies set aside for purposes other than those in sections 104(a), (b), (e), and (j) shall be allocated for the self-help measures set forth in this section.

"(c) Each agreement entered into under this title shall describe the program which the recipient country is undertaking to improve its production, storage, and distribution of agricultural commodities; and shall provide for termination of such agreement whenever the President finds that such program is not being adequately developed.

"SEC. 110. Agreements shall not be entered into under this title during any calendar year which will call for an appropriation to reimburse the Commodity Credit Corporation in an amount in excess of $1,900,000,000, plus any amount by which agreements entered into under this title in prior years have called or will call for appropriations to reimburse the Commodity Credit Corporation in amounts less than authorized for such prior years."

(C) By amending title II to read as follows:

68 Stat. 457.
7 USC 1721-1724.

"TITLE II

"SEC. 201. The President is authorized to determine requirements and furnish agricultural commodities, on behalf of the people of the United States of America, to meet famine or other urgent or extraordinary relief requirements; to combat malnutrition, especially in children; to promote economic and community development in friendly developing areas; and for needy persons and nonprofit school lunch and preschool feeding programs outside the United States. The Commodity Credit Corporation shall make available to the President such as agricultural commodities determined to be available under section 401 as he may request.

Emergency relief.

"SEC. 202. The President may furnish commodities for the purposes set forth in section 201 through such friendly governments and such agencies, private or public, including intergovernmental organizations such as the world food program and other multilateral organizations in such manner and upon such terms and conditions as he deems appropriate. The President shall, to the extent practicable, utilize nonprofit voluntary agencies registered with, and approved by, the Advisory Committee on Voluntary Foreign Aid. Insofar as practicable, all commodities furnished hereunder shall be clearly identified by appropriate marking on each package or container in the language of the locality where they are distributed as being furnished by the people of the United States of America. The assistance to needy persons shall insofar as practicable be directed toward community

and other self-help activities designed to alleviate the causes of the need for such assistance. Except in the case of emergency, the President shall take reasonable precaution to assure that commodities furnished hereunder will not displace or interfere with sales which might otherwise be made.

"SEC. 203. The Commodity Credit Corporation may, in addition to the cost of acquisition, pay with respect to commodities made available under this title costs for packaging, enrichment, preservation, and fortification; processing, transportation, handling, and other incidental costs up to the time of their delivery free on board vessels in United States ports; ocean freight charges from United States ports to designated ports of entry abroad, or, in the case of landlocked countries, transportation from United States ports to designated points of entry abroad; and charges for general average contributions arising out of the ocean transport of commodities transferred pursuant thereto.

"SEC. 204. Programs of assistance shall not be undertaken under this title during any calendar year which call for an appropriation of more than $600,000,000 to reimburse the Commodity Credit Corporation for all costs incurred in connection with such programs (including the Corporation's investment in commodities made available) plus any amount by which programs of assistance undertaken under this title in the preceding calendar year have called or will call for appropriations to reimburse the Commodity Credit Corporation in amounts less than were authorized for such purpose during such preceding year. In addition to other funds available for such purposes under any other Act, funds made available under this title may be used in an amount not exceeding $7,500,000 annually to purchase foreign currencies accruing under title I of this Act in order to meet costs (except the personnel and administrative costs of cooperating sponsors, distributing agencies, and recipient agencies, and the costs of construction or maintenance or any church owned or operated edifice or any other edifices to be used for sectarian purposes) designed to assure that commodities made available under this title are used to carry out effectively the purposes for which such commodities are made available or to promote community and other self-help activities designed to alleviate the causes of the need for such assistance: *Provided, however,* That such funds shall be used only to supplement and not substitute for funds normally available for such purposes from other non-United States Government sources.

Ante, p. 1526.

"SEC. 205. It is the sense of the Congress that the President should encourage other advanced nations to make increased contributions for the purpose of combating world hunger and malnutrition, particularly through the expansion of international food and agricultural assistance programs. It is further the sense of the Congress that as a means of achieving this objective, the United States should work for the expansion of the United Nations World food program beyond its present established goals."

Repeals.

(D) By changing the designation "TITLE III—GENERAL PROVISIONS" to "TITLE III" and by striking out sections 304, 305, 306, 307, and 308.

71 Stat. 345; 73 Stat. 607. 7 USC 1693-1697.

(E) By amending title IV to read as follows:

"TITLE IV

73 Stat. 610. 7 USC 1731-1736.

"SEC. 401. After consulting with other agencies of the Government affected and within policies laid down by the President for implementing this Act, and after taking into account productive capacity,

domestic requirements, farm and consumer price levels, commercial exports, and adequate carryover, the Secretary of Agriculture shall determine the agricultural commodities and quantities thereof available for disposition under this Act, and the commodities and quantities thereof which may be included in the negotiations with each country. No commodity shall be available for disposition under this Act if such disposition would reduce the domestic supply of such commodity below that needed to meet domestic requirements, adequate carryover, and anticipated exports for dollars as determined by the Secretary of Agriculture at the time of exportation of such commodity.

"Agricultural commodity."

"SEC. 402. The term 'agricultural commodity' as used in this Act shall include any agricultural commodity produced in the United States or product thereof produced in the United States: Provided, however, That the term 'agricultural commodity' shall not include alcoholic beverages, and for the purposes of title II of this Act, tobacco or products thereof. Subject to the availability of appropriations therefor, any domestically produced fishery product may be made available under this Act.

Appropriation.

"SEC. 403. There are hereby authorized to be appropriated such sums as may be necessary to carry out this Act including such amounts as may be required to make payments to the Commodity Credit Corporation, to the extent the Commodity Credit Corporation is not reimbursed under sections 104(j) and 105, for its actual costs incurred or to be incurred. In presenting his budget, the President shall classify expenditures under this Act as expenditures for international affairs and finance rather than for agriculture and agricultural resources.

Ante, pp. 1531, 1532.

Aims of assistance programs.

"SEC. 404. The programs of assistance undertaken pursuant to this Act shall be directed toward the attainment of the humanitarian objectives and national interest of the United States.

"SEC. 405. The authority and funds provided by this Act shall be utilized in a manner that will assist friendly countries that are determined to help themselves toward a greater degree of self-reliance in providing enough food to meet the needs of their people and in resolving their problems relative to population growth.

Food production assistance.

"SEC. 406. (a) In order to further assist friendly developing countries to become self-sufficient in food production, the Secretary of Agriculture is authorized, notwithstanding any other provision of law—

Farmer-to-farmer program.

"(1) To establish and administer through existing agencies of the Department of Agriculture a program of farmer-to-farmer assistance between the United States and such countries to help farmers in such countries in the practical aspects of increasing food production and distribution and improving the effectiveness of their farming operations;

Education.

"(2) To enter into contracts or other cooperative agreements with, or make grants to, land-grant colleges and universities and other institutions of higher learning in the United States to recruit persons who by reason of training, education, or practical experience are knowledgeable in the practical arts and sciences of agriculture and home economics, and to train such persons in the practical techniques of transmitting to farmers in such countries improved practices in agriculture, and to participate in carrying out the program in such countries including, where desirable, additional courses for training or retraining in such countries;

"(3) To consult and cooperate with private non-profit farm organizations in the exchange of farm youth and farm leaders with develop-

ing countries and in the training of farmers of such developing countries within the United States or abroad;

Research.

"(4) To conduct research in tropical and subtropical agriculture for the improvement and development of tropical and subtropical food products for dissemination and cultivation in friendly countries;

"(5) To coordinate the program authorized in this section with the activities of the Peace Corps, the Agency for International Development, and other agencies of the United States and to assign, upon agreement with such agencies, such persons to work with and under the administration of such agencies: *Provided*, That nothing in this section shall be construed to infringe upon the powers or functions of the Secretary of State:

"(6) To establish by such rules and regulations as he deems necessary the conditions for eligibility and retention in and dismissal from the program established in this section, together with the terms, length and nature of service, compensation, employee status, oaths of office, and security clearances, and such persons shall be entitled to the benefits and subject to the responsibilities applicable to persons serving in the Peace Corps pursuant to the provisions of section 612, volume 75 of the Statutes at Large, as amended; and

22 USC 2501 note.

"(7) To the maximum extent practicable, to pay the costs of such program through the use of foreign currencies accruing from the sale of agricultural commodities under this Act, as provided in section 104(i).

Ante, p. 1531.

Appropriation.

"(b) There are hereby authorized to be appropriated not to exceed $33,000,000 during any fiscal year for the purpose of carrying out the provisions of this section.

Advisory committee, establishment.

"SEC. 407. There is hereby established an advisory committee composed of the Secretary of State, the Secretary of the Treasury, the Secretary of Agriculture, the Director of the Bureau of the Budget, the Administrator of the Agency for International Development, the chairman, the vice chairman and the two ranking minority members of the House Committee on Agriculture and the House Committee on Foreign Affairs, and the chairman, the next ranking majority member and the two ranking minority members of the Senate Committee on Agriculture and Forestry and the Senate Committee on Foreign Relations. The advisory committee shall survey the general policies relating to the administration of the Act, including the manner of implementing the self-help provisions, the uses to be made of foreign currencies which accrue in connection with sales for foreign currencies under title I, the amount of currencies to be reserved in sales agreements for loans to private industry under section 104(e), rates of exchange, interest rates, and the terms under which dollar credit sales are made, and shall advise the President with respect thereto.

Ante, p. 1526.

Report to Congress.

"SEC. 408. The President shall make a report to Congress not later than April 1 each year with respect to the activities carried out under this Act during the preceding calendar year. Such report shall describe the progress of each country with which agreements are in effect under title I in carrying out its agreements under such title.

Time limitation.

"SEC. 409. No agreements to finance sales under title I and no programs of assistance under title II shall be entered into after December 31, 1968.

"SEC. 410. The provisions of section 620(e) of the Foreign Assistance Act of 1961, as amended (referring to nationalization, expropriation, and related governmental Acts affecting property owned by United States citizens), shall be applicable to assistance provided under title I of this Act."

77 Stat. 386; 78 Stat. 1013. 22 USC 2370.

Ante, p. 1526.

SEC. 3. (a) Section 9 of the Act of September 6, 1958 (7 U.S.C. 1431b), is amended, effective January 1, 1967, by deleting the symbol "(1)", by changing the semicolon to a period and by striking out all of the language in the section after the semicolon,

72 Stat. 1792.

(b) Section 709 of the Food and Agriculture Act of 1965 (7 U.S.C. 1446a–1) is amended, effective January 1, 1967, by striking out "foreign distribution,".

79 Stat. 1212.

(c) Section 416 of the Agricultural Act of 1949, as amended (7 U.S.C. 1431), is amended, effective January 1, 1967, by striking out the following: "and (4) to donate any such food commodities in excess of anticipated disposition under (1), (2), and (3) above to nonprofit voluntary agencies registered with the Committee on Voluntary Foreign Aid of the Foreign Operations Administration or other appropriate department or agency of the Federal Government and intergovernmental organizations for use in the assistance of needy persons and in nonprofit school lunch programs outside the United States"; "and (4) above"; ", in the case of commodities made available for use within the United States, or their delivery free alongside ship or free on board export carrier at point of export, in the case of commodities made available for use outside the United States"; and "The assistance to needy persons provided in (4) above shall, insofar as practicable be directed toward community and other self-help designed to alleviate the causes of the need for such assistance."

68 Stat. 458.

(d) Section 8 of Public Law 85–931 (72 Stat. 1792) is amended (1) by inserting a period in lieu of the colon after the word "Act" and striking out the proviso; (2) by inserting after the word "manufactured" the word "entirely"; and (3) by inserting before the comma following the words "surplus supply" the words "in the same manner as any other agricultural commodity or product is made available".

7 USC 1701 note.

(e) Section 407 of the Agricultural Act of 1949, as amended, is amended by striking the period at the end of the third sentence thereof and adding the following: ": *Provided*, That whenever the Secretary of Agriculture determines that the carryover at the end of any marketing year of a price supported agricultural commodity for which a voluntary adjustment program is in effect will be less than 25 per centum (35 per centum in the case of wheat) of the estimated export and domestic consumption of such commodity during such marketing year, the Commodity Credit Corporation shall not sell any of its stocks of such commodity during such year for unrestricted use at less than 115 per centum (120 per centum in the case of wheat whenever its carryover will be less than 25 per centum of such estimated export and domestic consumption) of the current price support loan plus reasonable carrying charges."

63 Stat. 1055. 7 USC 1427.

SEC. 4. Commercial sales of agricultural commodities out of private stocks on credit terms of not to exceed three years may be financed by

Appropriation.

Commodity Credit Corporation under its Export Credit Sales program. There are hereby authorized to be appropriated such sums as may be necessary to reimburse the Commodity Credit Corporation annually for its actual costs incurred or to be incurred under its Export Credit Sales Program.

Effective date.

SEC. 5. This Act shall take effect as of January 1, 1967, except that section 4 shall take effect upon enactment.

Approved November 11, 1966.

LEGISLATIVE HISTORY:

HOUSE REPORTS: —No. 1558 (Comm. on Agriculture), and Nos. 2075 and 2304 (Comm. of Conference).
SENATE REPORT No. 1527 (Comm. on Agriculture & Forestry).
CONGRESSIONAL RECORD, Vol. 112 (1966):
June 8: Considered in House.
June 9: Considered and passed House.
Aug. 29, 30: Considered in Senate.
Aug. 31: Considered and passed Senate, amended.
Oct. 5: Conference report recommitted in House.
Oct. 21: House and Senate agreed to conference report.

Public Law 90-436
90th Congress, S. 2986
July 29, 1968

An Act

To extend the Agricultural Trade Development and Assistance Act of 1954, as amended, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 409 of the Agricultural Trade Development and Assistance Act of 1954, as amended, is amended by striking out "December 31, 1968" and inserting in lieu thereof "December 31, 1970". Agricultural trade development and assistance.

SEC. 2. (a) Section 104(h) of such Act is amended by inserting before the semicolon at the end thereof the following: ". Not less than 5 per centum of the total sales proceeds received each year shall, if requested by the foreign country, be used for voluntary programs to control population growth". 80 Stat. 1537. 7 USC 1736c. 7 USC 1704.

(b) Section 109(a) of such Act is amended by striking out the word "and" at the end of clauses (7) and (8), changing the period at the end of such subsection to a semicolon, and adding the following: 7 USC 1709.

"(10) carrying out voluntary programs to control population growth."

SEC. 3. Section 104(b)(2) of such Act is amended to read as follows:

"(2) finance with not less than 2 per centum of the total sales proceeds received each year in each country activities to assist international educational and cultural exchange and to provide for the strengthening of the resources of American schools, colleges, universities, and other public and nonprofit private educational agencies for international studies and research under the programs authorized by title VI of the National Defense Education Act, the Mutual Educational and Cultural Exchange Act of 1961, the International Education Act of 1966, the Higher Education Act of 1965, the Elementary and Secondary Education Act of 1965, the National Foundation on the Arts and the Humanities Act of 1965, and the Public Broadcasting Act of 1967;". 20 USC 511. 22 USC 2451 note; 20 USC 1171 note, 1001 note, 821 note, 951 note; 47 USC 390 note.

SEC. 4. Section 103(b) of the Agricultural Trade Development and Assistance Act of 1954, as amended, is amended by striking out the proviso at the end thereof and substituting the following: ": *Provided*, That, except where he determines that it would be inconsistent with the objectives of the Act, the President shall determine the amount of foreign currencies needed for the uses specified in subsections (a), (b), (c), (e), and (h) of section 104, and the agreements for such credit sales shall provide for payment of such amounts in dollars or in foreign currencies upon delivery of the agricultural commodities. Such payment may be considered as an advance payment of the earliest installments." 7 USC 1703.

SEC. 5. Such Act is further amended by deleting the period at the end of subsection (n) of section 103 and inserting in lieu thereof a semicolon and adding new subsections (o), (p), and (q) to section 103 as follows:

"(o) Take steps to assure that the United States obtains a fair share of any increase in commercial purchases of agricultural commodities by the purchasing country; 82 STAT. 450

"(p) Assure convertibility at such uniformly applied exchange rates as shall be agreed upon of up to 50 per centum of the foreign currencies received pursuant to each agreement by sale to United States 82 STAT. 451

or purchasing country contractors for payment of wages earned in the development and consummation of works of public improvement in the purchasing country; and

"(q) Assure convertibility of up to 50 per centum of the foreign currencies received pursuant to each agreement by sale to United States importers for the procurement of materials or commodities in the purchasing country."

7 USC 1704.

SEC. 6. Section 104 is amended by deleting the word "and" at the end of subsection (i) and deleting the colon after subsection (j) and inserting in lieu thereof "; and", and adding the following new subparagraph (k):

"(k) for paying, to the maximum extent practicable, the costs of carrying out programs for the control of rodents, insects, weeds, and other animal or plant pests;".

Barter; 7 USC 1721.

SEC. 7. Section 303 of the Act is amended by adding at the end thereof the following: "Barter or exchange of agricultural commodities under clause (a) of this section shall be limited to exchange for materials which originate in the country to which the surplus agricultural commodities are exported and to arrangements which will prevent resale or transshipment of the agricultural commodities to other countries."

Advisory Committee. 7 USC 1736a.

SEC. 8. Section 407 of the Act is amended by striking out the entire section and substituting the following:

"SEC. 407. There is hereby established an Advisory Committee composed of the Secretary of State, the Secretary of the Treasury, the Secretary of Agriculture, the Director of the Bureau of the Budget, the Administrator of the Agency for International Development, the chairman and the ranking minority member of both the House Committee on Agriculture and the House Committee on Foreign Affairs, and the chairman and the ranking minority member of both the Senate Committee on Agriculture and Forestry and the Senate Committee on Foreign Relations. The Advisory Committee shall survey the general policies relating to the administration of the Act, including the manner of implementing the self-help provisions, the uses to be made of foreign currencies which accrue in connection with sales for foreign currencies under title I, the amount of currencies to be reserved in sales agreements for loans to private industry under section 104(e), rates of exchange, interest rates, and the terms under which dollar credit sales are made, and shall advise the President with respect thereto. The Advisory Committee shall meet not less than four times during each calendar year at the call of the Acting Chairman of such Committee who shall preside in the following order: The chairman of the House Committee on Agriculture, the chairman of the Senate Committee on Foreign Relations, the chairman of the Senate Committee on Agriculture and Forestry, and the chairman of the House Committee on Foreign Affairs."

Financing for persons engaged in North Vietnam commerce. 7 USC 1702.

SEC. 9. Section 102 of the Act is amended by striking out the period at the end thereof and adding a colon and the following: "*Provided*, That the Commodity Credit Corporation shall not finance the sale and export of agricultural commodities under this Act for any exporter which is engaging in, or in the six months immediately preceding the application for such financing has engaged in, any sales, trade, or commerce with North Vietnam, or with any resident thereof, or which owns or controls any company which is engaging in, or in such period has engaged in, any such sales, trade, or commerce, or which is owned or controlled by any company or person which is engaging in, or which

in such period has engaged in, any such sales, trade, or commerce either directly or through any branch, subsidiary, affiliate, or associated company: *Provided further*. That such application for financing must be accompanied by a statement in which are listed by name, address, and chief executive officers all branches, affiliates, subsidiaries and associated companies, foreign and domestic, in which the applicant has a controlling interest and similar information for all companies which either directly or through subsidiaries or otherwise have a controlling interest in the applicant company."

Approved July 29, 1968.

LEGISLATIVE HISTORY:

HOUSE REPORTS: No. 1297 accompanying H. R. 16165 (Comm. on Agriculture) and No. 1642 (Comm. of Conference).
SENATE REPORT No. 1066 (Comm. on Agriculture & Forestry).
CONGRESSIONAL RECORD, Vol. 114 (1968):
Apr. 3: Considered and passed Senate.
May 14: Considered and passed House, amended, in lieu of H. R. 16165.
July 12: House agreed to conference report.
July 15: Senate agreed to conference report.

(Extract from)

Public Law 91-175
91st Congress, H. R. 14580
December 30, 1969

An Act

83 STAT. 805

To promote the foreign policy, security, and general welfare of the United States by assisting peoples of the world to achieve economic development within a framework of democratic economic, social, and political institutions, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Foreign Assistance Act of 1969". Foreign Assistance Act of 1969.

PART III—GENERAL, ADMINISTRATIVE, AND MISCELLANEOUS PROVISIONS

SEC. 301. Section 610(a) of the Foreign Assistance Act of 1961, relating to transfer between accounts, is amended by inserting immediately after "funds made available for any provision of this Act" the following: "(except funds made available pursuant to title IV of chapter 2 of part I)". 75 Stat. 442; 76 Stat. 260. 22 USC 2360.

SEC. 302. Section 612 of such Act, relating to use of foreign currencies, is amended by adding at the end thereof the following new subsection: 75 Stat. 443; 78 Stat. 1012; 80 Stat. 805. 22 USC 2362.

"(d) In furnishing assistance under this Act to the government of any country in which the United States owns excess foreign currencies as defined in subsection (b) of this section, except those currencies generated under the Agricultural Trade Development and Assistance Act of 1954, as amended, the President shall endeavor to obtain from the recipient country an agreement for the release, on such terms and conditions as the President shall determine, of an amount of such currencies up to the equivalent of the dollar value of assistance furnished by the United States for programs as may be mutually agreed upon by the recipient country and the United States to carry out the purposes for which new funds authorized by this Act would themselves be available." 68 Stat. 454; 80 Stat. 1526. 7 USC 1691 note.

SEC. 303. (a) Section 620(s) of such Act, relating to prohibitions against furnishing assistance, is amended to read as follows: 81 Stat. 459. 22 USC 2370.

"(s)(1) In order to restrain arms races and proliferation of sophisticated weapons, and to ensure that resources intended for economic development are not diverted to military purposes, the President shall take into account before furnishing development loans, Alliance loans or supporting assistance to any country under this Act, and before making sales under the Agricultural Trade Development and Assistance Act of 1954, as amended:

"(A) the percentage of the recipient or purchasing country's budget which is devoted to military purposes;

"(B) the degree to which the recipient or purchasing country is using its foreign exchange resources to acquire military equipment; and

"(C) the amount spent by the recipient or purchasing country for the purchase of sophisticated weapons systems, such as missile systems and jet aircraft for military purposes, from any country.

"(2) The President shall report annually to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate his actions in carrying out this provision." Reports to Congress.

(b) Section 620(v) of such Act is repealed. Repeal.

SEC. 304. Section 624(d) of such Act, relating to the duties of the Inspector General, Foreign Assistance, is amended— 22 USC 2370.

(1) by inserting in paragraph (2)(A), after the words "under part I of this Act", the following: "(including the Overseas Private Investment Corporation), and under part IV of the Foreign Assistance Act of 1969 (the Inter-American Social Development Institute)"; 75 Stat. 447; 76 Stat. 262. 22 USC 2384.

(2) by inserting in paragraph (5), before the period at the end of the first sentence, the following: "and part IV of the Foreign Assistance Act of 1969"; and

(3) by inserting in the first sentence of paragraph (7), immediately after "programs under part I or II of this Act," the following: "and part IV of the Foreign Assistance Act of 1969,".

SEC. 305. Section 634(a) of such Act, relating to reports and information, is amended— 75 Stat. 455. 22 USC 2394.

(1) by inserting in the first sentence, after the words "concerning operations", the following: "(other than those reported pursuant to section 240A)"; and Ante, p. 818.

(2) by striking out of the last sentence the following: "on the operation of the investment guaranty program and".

SEC. 306. Section 636(i) of such Act, relating to use of funds, is amended by inserting immediately before the period at the end thereof the following: "or by the Corporation established under title IV of chapter 2 of part I with respect to loan activities which it carries out under the provisions of the Agricultural Trade Development and Assistance Act of 1954, as amended". 75 Stat. 459. 22 USC 2396.

SEC. 307. Section 637(a) of such Act, relating to administrative expenses, is amended by striking out "fiscal year 1969, $53,000,000" and inserting in lieu thereof "fiscal year 1970, $51,125,000, and for the fiscal year 1971, $51,125,000". 68 Stat. 454; 80 Stat. 1526. 7 USC 1691 note.

SEC. 308. Section 643 of such Act, relating to savings provisions, is amended by inserting after "section 642(a)" and "section 642(a)(2)" each time they appear the following: "and the Foreign Assistance Act of 1969". 75 Stat. 460. 22 USC 2402.

Approved December 30, 1969.

LEGISLATIVE HISTORY:

HOUSE REPORTS: No. 91-611 (Comm. on Foreign Affairs) and No. 91-767 (Comm. of Conference).
SENATE REPORT No. 91-603 (Comm. on Foreign Relations).
CONGRESSIONAL RECORD, Vol. 115 (1969):
Nov. 19, 20: Considered and passed House.
Dec. 11, 12: Considered and passed Senate, amended.
Dec. 19: House and Senate agreed to conference report.

(Extract from)

Public Law 91-524
91st Congress, H. R. 18546
November 30, 1970

An Act

To establish improved programs for the benefit of producers and consumers of dairy products, wool, wheat, feed grains, cotton, and other commodities, to extend the Agricultural Trade Development and Assistance Act of 1954, as amended, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Agricultural Act of 1970". Agricultural Act of 1970.

TITLE VII—EXTENSION OF TITLES I AND II OF PUBLIC LAW 480

SEC. 701. Section 409 of the Agricultural Trade Development and Assistance Act of 1954, as amended (Public Law 83-480; 7 U.S.C. 1736c), is amended by striking the words "December 31, 1970." and inserting in lieu thereof the words "December 31, 1973.". 80 Stat. 1537; 82 Stat. 450.

SEC. 702. Section 104 of such Act is amended by inserting before the comma at the end of paragraph (1) of the first proviso following subsection (k) the following: ", and in the case of currencies to be used for the purposes specified in paragraph (2) of subsection (b) the Appropriation Act may specifically authorize the use of such currencies and shall not require the appropriation of dollars for the purchase of such currencies". 80 Stat. 1528. 7 USC 1704.

Approved November 30, 1970.

LEGISLATIVE HISTORY:

HOUSE REPORTS: No. 91-1329 (Comm. on Agriculture) and
No. 91-1594 (Comm. of Conference).
SENATE REPORT No. 91-1154 (Comm. on Agriculture and Forestry).
CONGRESSIONAL RECORD, Vol. 116 (1970):
Aug. 5, considered and passed House.
Sept. 14, 15, considered and passed Senate, amended.
Oct. 13, House agreed to conference report.
Nov. 19, Senate agreed to conference report.